

Calendar No. _____

110TH CONGRESS
1ST SESSION**S.** _____

To provide for the continuation of agricultural programs through fiscal year
2012, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. HARKIN from the Committee on Agriculture, Nutrition, and Forestry re-
ported the following original bill; which was read twice and placed on the
calendar

A BILL

To provide for the continuation of agricultural programs
through fiscal year 2012, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Food and Energy Security Act of 2007”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. Definition of Secretary.

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- Sec. 1504. Flexible marketing allotments for sugar.
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“SUBCHAPTER D—HEALTHY FORESTS RESERVE PROGRAM

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- Sec. 8005. Assistance to the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

Subtitle B—Tribal-Forest Service Cooperative Relations

- Sec. 8101. Definitions.

PART I—COLLABORATION BETWEEN INDIAN TRIBES AND FOREST SERVICE

- Sec. 8111. Forest Legacy Program.
- Sec. 8112. Forestry and resource management assistance for Indian tribes.

PART II—CULTURAL AND HERITAGE COOPERATION AUTHORITY

- Sec. 8121. Purposes.
- Sec. 8122. Definitions.
- Sec. 8123. Reburial of human remains and cultural items.
- Sec. 8124. Temporary closure for traditional and cultural purposes.
- Sec. 8125. Forest products for traditional and cultural purposes.
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Subtitle C—Amendments to Other Laws

- Sec. 8201. Renewable resources extension activities.
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TITLE IX—ENERGY

Sec. 9001. Energy.

“TITLE IX—ENERGY

- “Sec. 9001. Definitions.
- “Sec. 9002. Biobased markets program.
- “Sec. 9003. Biodiesel fuel education.
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- “Sec. 9012. Renewable woody biomass for energy.
- “Sec. 9013. Community wood energy program.
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- “Sec. 9017. Biofuels infrastructure study.
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TITLE X—LIVESTOCK MARKETING, REGULATORY, AND RELATED PROGRAMS

Subtitle A—Marketing

- Sec. 10001. Livestock mandatory reporting.
- Sec. 10002. Grading and inspection.
- Sec. 10003. Country of origin labeling.

Subtitle B—Agricultural Fair Practices

- Sec. 10101. Definitions.
- Sec. 10102. Prohibited practices.
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- Sec. 10104. Rules and regulations.

Subtitle C—Packers and Stockyards

- Sec. 10201. Special Counsel for Agricultural Competition.
- Sec. 10202. Investigation of live poultry dealers.
- Sec. 10203. Production contracts.
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- Sec. 10205. Attorneys' fees.
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- Sec. 10301. Sense of Congress regarding pseudorabies eradication program.
- Sec. 10302. Sense of Congress regarding cattle fever tick eradication program.
- Sec. 10303. National Sheep and Goat Industry Improvement Center.
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- Sec. 10305. Protection of information in the animal identification system.
- Sec. 10306. Low pathogenic avian influenza.
- Sec. 10307. Study on bioenergy operations.
- Sec. 10308. Sense of the Senate on indemnification of livestock producers.

TITLE XI—MISCELLANEOUS

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- Sec. 11011. Definitions.

PART I—GENERAL AUTHORITY AND INTERAGENCY COORDINATION

- Sec. 11021. Policy.
- Sec. 11022. Interagency coordination.
- Sec. 11023. Submission of integrated food defense plan.
- Sec. 11024. Transfer of certain agricultural inspection functions of Department.

PART II—AGRICULTURAL QUARANTINE INSPECTION PROGRAM
IMPROVEMENT

- Sec. 11031. Definitions.
- Sec. 11032. Joint Task Force.
- Sec. 11033. Advisory Board.
- Sec. 11034. Reports to Congress.
- Sec. 11035. Port risk committees.
- Sec. 11036. Emergency response planning at ports of entry.
- Sec. 11037. Plant pest identification joint plan.
- Sec. 11038. Liaison officer positions.

PART III—MISCELLANEOUS

- Sec. 11041. Designation and expedited review and approval of qualified agricultural countermeasures.
- Sec. 11042. Agricultural disease emergency detection and response.
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- Sec. 11044. Research and development of agricultural countermeasures.
- Sec. 11045. Veterinary workforce grant program.
- Sec. 11046. Assistance to build local capacity in agricultural biosecurity planning, preparedness, and response.
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Subtitle B—Other Programs

- Sec. 11051. Foreclosure.
- Sec. 11052. Outreach and technical assistance for socially disadvantaged farmers and ranchers.
- Sec. 11053. Additional contracting authority.
- Sec. 11054. Improved program delivery by the Department of Agriculture on Indian reservations.
- Sec. 11055. Accurate documentation in the census of agriculture and certain studies.
- Sec. 11056. Improved data requirements.
- Sec. 11057. Receipt for service or denial of service.
- Sec. 11058. National Appeals Division.
- Sec. 11059. Farmworker Coordinator.
- Sec. 11060. Congressional Bipartisan Food Safety Commission.
- Sec. 11061. Emergency grants to assist low-income migrant and seasonal farmworkers.
- Sec. 11062. Grants to reduce production of methamphetamines from anhydrous ammonia.
- Sec. 11063. Invasive species management, Hawaii.
- Sec. 11064. Oversight and compliance.
- Sec. 11065. Report of civil rights complaints, resolutions, and actions.
- Sec. 11066. Grants to improve supply, stability, safety, and training of agricultural labor force.
- Sec. 11067. Interstate shipment of meat and poultry inspected by Federal and State agencies for certain small establishments.
- Sec. 11068. Prevention and investigation of payment and fraud and error.
- Sec. 11069. Elimination of statute of limitations applicable to collection of debt by administrative offset.
- Sec. 11070. Stored quantities of propane.
- Sec. 11071. Closure of certain county FSA offices.

1 **SEC. 2. DEFINITION OF SECRETARY.**

2 In this Act, the term “Secretary” means the Sec-
3 retary of Agriculture.

4 **TITLE I—PRODUCER INCOME**
5 **PROTECTION PROGRAMS**

6 **SEC. 1001. DEFINITIONS.**

7 In this title (other than part III of subtitle A):

8 (1) **AVERAGE CROP REVENUE PAYMENT.**—The
9 term “average crop revenue payment” means a pay-
10 ment made to producers on a farm under section
11 1401.

1 (2) BASE ACRES.—The term “base acres”, with
2 respect to a covered commodity on a farm, means
3 the number of acres established under section 1101
4 of the Farm Security and Rural Investment Act of
5 2002 (7 U.S.C. 7911) as in effect on the day before
6 the date of enactment of this Act, subject to any ad-
7 justment under section 1101 of this Act.

8 (3) COUNTER-CYCLICAL PAYMENT.—The term
9 “counter-cyclical payment” means a payment made
10 to producers on a farm under section 1104.

11 (4) COVERED COMMODITY.—The term “covered
12 commodity” means wheat, corn, grain sorghum, bar-
13 ley, oats, upland cotton, long grain rice, medium
14 grain rice, pulse crops, soybeans, and other oilseeds.

15 (5) DIRECT PAYMENT.—The term “direct pay-
16 ment” means a payment made to producers on a
17 farm under section 1103.

18 (6) EFFECTIVE PRICE.—The term “effective
19 price”, with respect to a covered commodity for a
20 crop year, means the price calculated by the Sec-
21 retary under section 1104 to determine whether
22 counter-cyclical payments are required to be made
23 for that crop year.

24 (7) EXTRA LONG STAPLE COTTON.—The term
25 “extra long staple cotton” means cotton that—

1 (A) is produced from pure strain varieties
2 of the Barbados species or any hybrid of the
3 species, or other similar types of extra long sta-
4 ple cotton, designated by the Secretary, having
5 characteristics needed for various end uses for
6 which United States upland cotton is not suit-
7 able and grown in irrigated cotton-growing re-
8 gions of the United States designated by the
9 Secretary or other areas designated by the Sec-
10 retary as suitable for the production of the vari-
11 eties or types; and

12 (B) is ginned on a roller-type gin or, if au-
13 thorized by the Secretary, ginned on another
14 type gin for experimental purposes.

15 (8) LOAN COMMODITY.—The term “loan com-
16 modity” means wheat, corn, grain sorghum, barley,
17 oats, upland cotton, extra long staple cotton, long
18 grain rice, medium grain rice, soybeans, other oil-
19 seeds, wool, mohair, honey, dry peas, lentils, small
20 chickpeas, and large chickpeas.

21 (9) MEDIUM GRAIN RICE.—The term “medium
22 grain rice” includes short grain rice.

23 (10) OTHER OILSEED.—The term “other oil-
24 seed” means a crop of sunflower seed, rapeseed,
25 canola, safflower, flaxseed, mustard seed, crambe,

1 sesame seed, camelina, or any oilseed designated by
2 the Secretary.

3 (11) PAYMENT ACRES.—The term “payment
4 acres” means, in the case of direct payments and
5 counter-cyclical payments, 85 percent of the base
6 acres of a covered commodity on a farm on which
7 direct payments or counter-cyclical payments are
8 made.

9 (12) PAYMENT YIELD.—The term “payment
10 yield” means the yield established for direct pay-
11 ments and counter-cyclical payments under section
12 1102 of the Farm Security and Rural Investment
13 Act of 2002 (7 U.S.C. 7912) as in effect on the day
14 before the date of enactment of this Act, or under
15 section 1102 of this Act, for a farm for a covered
16 commodity.

17 (13) PRODUCER.—

18 (A) IN GENERAL.—The term “producer”
19 means an owner, operator, landlord, tenant, or
20 sharecropper that shares in the risk of pro-
21 ducing a crop and is entitled to share in the
22 crop available for marketing from the farm, or
23 would have shared had the crop been produced.

1 (B) HYBRID SEED.—In determining
2 whether a grower of hybrid seed is a producer,
3 the Secretary shall—

4 (i) not take into consideration the ex-
5 istence of a hybrid seed contract; and

6 (ii) ensure that program requirements
7 do not adversely affect the ability of the
8 grower to receive a payment under this
9 title.

10 (14) PULSE CROP.—The term “pulse crop”
11 means dry peas, lentils, small chickpeas, and large
12 chickpeas.

13 (15) STATE.—The term “State” means—

14 (A) a State;

15 (B) the District of Columbia;

16 (C) the Commonwealth of Puerto Rico;

17 and

18 (D) any other territory or possession of the
19 United States.

20 (16) TARGET PRICE.—The term “target price”
21 means the price per bushel, pound, or hundred-
22 weight (or other appropriate unit) of a covered com-
23 modity used to determine the payment rate for
24 counter-cyclical payments.

1 (17) UNITED STATES.—The term “United
2 States”, when used in a geographical sense, means
3 all of the States.

4 **Subtitle A—Traditional Payments**
5 **and Loans**

6 **PART I—DIRECT PAYMENTS AND COUNTER-**
7 **CYCLICAL PAYMENTS**

8 **SEC. 1101. BASE ACRES AND PAYMENT ACRES FOR A FARM.**

9 (a) ADJUSTMENT OF BASE ACRES.—

10 (1) IN GENERAL.—The Secretary shall provide
11 for an adjustment, as appropriate, in the base acres
12 for covered commodities for a farm whenever the fol-
13 lowing circumstances occurs:

14 (A) A conservation reserve contract en-
15 tered into under section 1231 of the Food Secu-
16 rity Act of 1985 (16 U.S.C. 3831) with respect
17 to the farm expires or is voluntarily terminated.

18 (B) Cropland is released from coverage
19 under a conservation reserve contract by the
20 Secretary.

21 (C) The producer has eligible pulse crop or
22 camelina acreage.

23 (D) The producer has eligible oilseed acre-
24 age as the result of the Secretary designating
25 additional oilseeds.

1 (2) SPECIAL CONSERVATION RESERVE ACREAGE
2 PAYMENT RULES.—For the crop year in which a
3 base acres adjustment under subparagraph (A) or
4 (B) of paragraph (1) is first made, the owner of the
5 farm shall elect to receive either direct payments
6 and counter-cyclical payments with respect to the
7 acreage added to the farm under this subsection or
8 a prorated payment under the conservation reserve
9 contract, but not both.

10 (b) PREVENTION OF EXCESS BASE ACRES.—

11 (1) REQUIRED REDUCTION.—If the sum of the
12 base acres for a farm, together with the acreage de-
13 scribed in paragraph (2) exceeds the actual cropland
14 acreage of the farm, the Secretary shall reduce the
15 base acres for 1 or more covered commodities for the
16 farm or the base acres for peanuts for the farm so
17 that the sum of the base acres and acreage described
18 in paragraph (2) does not exceed the actual cropland
19 acreage of the farm.

20 (2) OTHER ACREAGE.—For purposes of para-
21 graph (1), the Secretary shall include the following:

22 (A) Any base acres for peanuts for the
23 farm.

24 (B) Any acreage on the farm enrolled in
25 the conservation reserve program or wetlands

1 reserve program under chapter 1 of subtitle D
2 of title XII of the Food Security Act of 1985
3 (16 U.S.C. 3830 et seq.).

4 (C) Any other acreage on the farm enrolled
5 in a Federal conservation program for which
6 payments are made in exchange for not pro-
7 ducing an agricultural commodity on the acre-
8 age.

9 (D) Any eligible pulse crop or camelina
10 acreage, which shall be determined in the same
11 manner as eligible oilseed acreage under section
12 1101(a)(2) of the Farm Security and Rural In-
13 vestment Act of 2002 (7 U.S.C. 7911(a)(2)).

14 (E) If the Secretary designates additional
15 oilseeds, any eligible oilseed acreage, which shall
16 be determined in the same manner as eligible
17 oilseed acreage under section 1101(a)(2) of the
18 Farm Security and Rural Investment Act of
19 2002 (7 U.S.C. 7911(a)(2)).

20 (3) SELECTION OF ACRES.—The Secretary shall
21 give the owner of the farm the opportunity to select
22 the base acres for a covered commodity or the base
23 acres for peanuts for the farm against which the re-
24 duction required by paragraph (1) will be made.

1 (4) EXCEPTION FOR DOUBLE-CROPPED ACRE-
2 AGE.—In applying paragraph (1), the Secretary
3 shall make an exception in the case of double crop-
4 ping, as determined by the Secretary.

5 (5) COORDINATED APPLICATION OF REQUIRE-
6 MENTS.—The Secretary shall take into account sec-
7 tion 1302(b) when applying the requirements of this
8 subsection.

9 (c) PERMANENT REDUCTION IN BASE ACRES.—

10 (1) IN GENERAL.—The owner of a farm may
11 reduce, at any time, the base acres for any covered
12 commodity for the farm.

13 (2) ADMINISTRATION.—The reduction shall be
14 permanent and made in the manner prescribed by
15 the Secretary.

16 **SEC. 1102. PAYMENT YIELDS.**

17 (a) ESTABLISHMENT AND PURPOSE.—For the pur-
18 pose of making direct payments and counter-cyclical pay-
19 ments under this subtitle, the Secretary shall provide for
20 the establishment of a yield for each farm for any des-
21 ignated oilseed, camelina, or eligible pulse crop for which
22 a payment yield was not established under section 1102
23 of the Farm Security and Rural Investment Act of 2002
24 (7 U.S.C. 7912) in accordance with this section.

1 (b) PAYMENT YIELDS FOR DESIGNATED OILSEEDS,
2 CAMELINA, AND ELIGIBLE PULSE CROPS.—

3 (1) DETERMINATION OF AVERAGE YIELD.—In
4 the case of designated oilseeds, camelina, and eligi-
5 ble pulse crops, the Secretary shall determine the av-
6 erage yield per planted acre for the designated oil-
7 seed, camelina, or pulse crop on a farm for the 1998
8 through 2001 crop years, excluding any crop year in
9 which the acreage planted to the designated oilseed,
10 camelina, or pulse crop was zero.

11 (2) ADJUSTMENT FOR PAYMENT YIELD.—

12 (A) IN GENERAL.—The payment yield for
13 a farm for a designated oilseed, camelina, or el-
14 igible pulse crop shall be equal to the product
15 of the following:

16 (i) The average yield for the des-
17 ignated oilseed, camelina, or pulse crop de-
18 termined under paragraph (1).

19 (ii) The ratio resulting from dividing
20 the national average yield for the des-
21 ignated oilseed, camelina, or pulse crop for
22 the 1981 through 1985 crops by the na-
23 tional average yield for the designated oil-
24 seed, camelina, or pulse crop for the 1998
25 through 2001 crops.

1 (B) NO NATIONAL AVERAGE YIELD INFOR-
2 MATION AVAILABLE.—To the extent that na-
3 tional average yield information for a des-
4 ignated oilseed, camelina, or pulse crop is not
5 available, the Secretary shall use such informa-
6 tion as the Secretary determines to be fair and
7 equitable to establish a national average yield
8 under this section.

9 (3) USE OF PARTIAL COUNTY AVERAGE
10 YIELD.—If the yield per planted acre for a crop of
11 a designated oilseed, camelina, or pulse crop for a
12 farm for any of the 1998 through 2001 crop years
13 was less than 75 percent of the county yield for that
14 designated oilseed, camelina, or pulse crop, the Sec-
15 retary shall assign a yield for that crop year equal
16 to 75 percent of the county yield for the purpose of
17 determining the average under paragraph (1).

18 (4) NO HISTORIC YIELD DATA AVAILABLE.—In
19 the case of establishing yields for designated oil-
20 seeds, camelina, and eligible pulse crops, if historic
21 yield data is not available, the Secretary shall use
22 the ratio for dry peas calculated under paragraph
23 (2)(A)(ii) in determining the yields for designated
24 oilseeds, camelina, and eligible pulse crops, as deter-
25 mined to be fair and equitable by the Secretary.

1 **SEC. 1103. AVAILABILITY OF DIRECT PAYMENTS.**

2 (a) PAYMENT REQUIRED.—Except as provided in
3 section 1401, for each of the 2008 through 2012 crop
4 years of each covered commodity (other than pulse crops),
5 the Secretary shall make direct payments to producers on
6 farms for which payment yields and base acres are estab-
7 lished.

8 (b) PAYMENT RATE.—The payment rates used to
9 make direct payments with respect to covered commodities
10 for a crop year are as follows:

- 11 (1) Wheat, \$0.52 per bushel.
- 12 (2) Corn, \$0.28 per bushel.
- 13 (3) Grain sorghum, \$0.35 per bushel.
- 14 (4) Barley, \$0.24 per bushel.
- 15 (5) Oats, \$0.024 per bushel.
- 16 (6) Upland cotton, \$0.0667 per pound.
- 17 (7) Long grain rice, \$2.35 per hundredweight.
- 18 (8) Medium grain rice, \$2.35 per hundred-
19 weight.
- 20 (9) Soybeans, \$0.44 per bushel.
- 21 (10) Other oilseeds, \$0.80 per hundredweight.

22 (c) PAYMENT AMOUNT.—The amount of the direct
23 payment to be paid to the producers on a farm for a cov-
24 ered commodity for a crop year shall be equal to the prod-
25 uct of the following:

1 (1) The payment rate specified in subsection
2 (b).

3 (2) The payment acres of the covered com-
4 modity on the farm.

5 (3) The payment yield for the covered com-
6 modity for the farm.

7 (d) TIME FOR PAYMENT.—

8 (1) IN GENERAL.—In the case of each of the
9 2008 through 2012 crop years, the Secretary shall
10 make direct payments under this section not earlier
11 than October 1 of the calendar year in which the
12 crop of the covered commodity is harvested.

13 (2) ADVANCE PAYMENTS.—

14 (A) OPTION.—At the option of the pro-
15 ducers on a farm, the Secretary shall pay in ad-
16 vance up to 22 percent of the direct payment
17 for a covered commodity for any of the 2008
18 through 2011 crop years to the producers on a
19 farm.

20 (B) MONTH.—

21 (i) SELECTION.—Subject to clauses
22 (ii) and (iii), the producers on a farm shall
23 select the month during which the advance
24 payment for a crop year will be made.

1 (ii) OPTIONS.—The month selected
2 may be any month during the period—

3 (I) beginning on December 1 of
4 the calendar year before the calendar
5 year in which the crop of the covered
6 commodity is harvested; and

7 (II) ending during the month
8 within which the direct payment
9 would otherwise be made.

10 (iii) CHANGE.—The producers on a
11 farm may change the selected month for a
12 subsequent advance payment by providing
13 advance notice to the Secretary.

14 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
15 producer on a farm that receives an advance direct
16 payment for a crop year ceases to be a producer on
17 that farm, or the extent to which the producer
18 shares in the risk of producing a crop changes, be-
19 fore the date the remainder of the direct payment is
20 made, the producer shall be responsible for repaying
21 the Secretary the applicable amount of the advance
22 payment, as determined by the Secretary.

1 **SEC. 1104. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
2 **MENTS.**

3 (a) PAYMENT REQUIRED.—Subject to sections 1107
4 and 1401, for each of the 2008 through 2012 crop years
5 for each covered commodity, the Secretary shall make
6 counter-cyclical payments to producers on farms for which
7 payment yields and base acres are established with respect
8 to the covered commodity if the Secretary determines that
9 the effective price for the covered commodity is less than
10 the target price for the covered commodity.

11 (b) EFFECTIVE PRICE.—

12 (1) COVERED COMMODITIES OTHER THAN
13 RICE.—Except as provided in paragraph (2), for
14 purposes of subsection (a), the effective price for a
15 covered commodity is equal to the sum of the fol-
16 lowing:

17 (A) The higher of the following:

18 (i) The national average market price
19 received by producers during the 12-month
20 marketing year for the covered commodity,
21 as determined by the Secretary.

22 (ii) The national average loan rate for
23 a marketing assistance loan for the covered
24 commodity in effect for the applicable pe-
25 riod under part II.

1 (B) The payment rate in effect for the cov-
2 ered commodity under section 1103 for the pur-
3 pose of making direct payments with respect to
4 the covered commodity.

5 (2) RICE.—In the case of long grain rice and
6 medium grain rice, for purposes of subsection (a),
7 the effective price for each type or class of rice is
8 equal to the sum of the following:

9 (A) The higher of the following:

10 (i) The national average market price
11 received by producers during the 12-month
12 marketing year for the type or class of
13 rice, as determined by the Secretary.

14 (ii) The national average loan rate for
15 a marketing assistance loan for the type or
16 class of rice in effect for the applicable pe-
17 riod under part II.

18 (B) The payment rate in effect for the
19 type or class of rice under section 1103 for the
20 purpose of making direct payments with respect
21 to the type or class of rice.

22 (c) TARGET PRICE.—

23 (1) IN GENERAL.—For purposes of each of the
24 2008 through 2012 crop years, the target prices for
25 covered commodities shall be as follows:

1 (A) Wheat, \$4.20 per bushel.

2 (B) Corn, \$2.63 per bushel.

3 (C) Grain sorghum, \$2.63 per bushel.

4 (D) Barley, \$2.63 per bushel.

5 (E) Oats, \$1.83 per bushel.

6 (F) Upland cotton, \$0.7225 per pound.

7 (G) Long grain rice, \$10.50 per hundred-
8 weight.

9 (H) Medium grain rice, \$10.50 per hun-
10 dredweight.

11 (I) Soybeans, \$6.00 per bushel.

12 (J) Other oilseeds, \$12.74 per hundred-
13 weight.

14 (K) Dry peas, \$8.33 per hundredweight.

15 (L) Lentils, \$12.82 per hundredweight.

16 (M) Small chickpeas, \$10.36 per hundred-
17 weight.

18 (N) Large chickpeas, \$12.82 per hundred-
19 weight.

20 (2) SEPARATE TARGET PRICE.—The Secretary
21 may not establish a target price for a covered com-
22 modity that is different from the target price speci-
23 fied in paragraph (1) for the covered commodity.

24 (d) PAYMENT RATE.—The payment rate used to
25 make counter-cyclical payments with respect to a covered

1 commodity for a crop year shall be equal to the difference
2 between—

3 (1) the target price for the covered commodity;
4 and

5 (2) the effective price determined under sub-
6 section (b) for the covered commodity.

7 (e) PAYMENT AMOUNT.—If counter-cyclical pay-
8 ments are required to be paid for any of the 2008 through
9 2012 crop years of a covered commodity, the amount of
10 the counter-cyclical payment to be paid to the producers
11 on a farm for that crop year shall be equal to the product
12 of the following:

13 (1) The payment rate specified in subsection
14 (d).

15 (2) The payment acres of the covered com-
16 modity on the farm.

17 (3) The payment yield for the covered com-
18 modity for the farm.

19 (f) TIME FOR PAYMENTS.—

20 (1) GENERAL RULE.—If the Secretary deter-
21 mines under subsection (a) that counter-cyclical pay-
22 ments are required to be made under this section for
23 the crop of a covered commodity, the Secretary shall
24 make the counter-cyclical payments for the crop be-
25 ginning October 1, or as soon as practicable there-

1 after, after the end of the applicable marketing year
2 for the covered commodity.

3 (2) AVAILABILITY OF PARTIAL PAYMENTS.—

4 (A) IN GENERAL.—If, before the end of
5 the 12-month marketing year for a covered
6 commodity, the Secretary estimates that
7 counter-cyclical payments will be required for
8 the crop of the covered commodity, the Sec-
9 retary shall give producers on a farm the option
10 to receive partial payments of the counter-cycli-
11 cal payment projected to be made for that crop
12 of the covered commodity.

13 (B) ELECTION.—

14 (i) IN GENERAL.—The Secretary shall
15 allow producers on a farm to make an elec-
16 tion to receive partial payments for a cov-
17 ered commodity under subparagraph (A)
18 at any time but not later than 30 days
19 prior to the end of the marketing year for
20 that covered commodity.

21 (ii) DATE OF ISSUANCE.—The Sec-
22 retary shall issue the partial payment after
23 the date of an announcement by the Sec-
24 retary but not later than 30 days prior to
25 the end of the marketing year.

1 (3) TIME FOR PARTIAL PAYMENTS.—When the
2 Secretary makes partial payments for a covered
3 commodity for any of the 2008 through 2010 crop
4 years—

5 (A) the first partial payment shall be made
6 after completion of the first 180 days of the
7 marketing year for the covered commodity; and

8 (B) the final partial payment shall be
9 made beginning October 1, or as soon as prac-
10 ticable thereafter, after the end of the applica-
11 ble marketing year for the covered commodity.

12 (4) AMOUNT OF PARTIAL PAYMENT.—

13 (A) FIRST PARTIAL PAYMENT.—For each
14 of the 2008 through 2010 crops of a covered
15 commodity, the first partial payment under
16 paragraph (3) to the producers on a farm may
17 not exceed 40 percent of the projected counter-
18 cyclical payment for the covered commodity for
19 the crop year, as determined by the Secretary.

20 (B) FINAL PAYMENT.—The final payment
21 for a covered commodity for a crop year shall
22 be equal to the difference between—

23 (i) the actual counter-cyclical payment
24 to be made to the producers for the cov-
25 ered commodity for that crop year; and

1 (ii) the amount of the partial payment
2 made to the producers under subparagraph
3 (A).

4 (5) REPAYMENT.—The producers on a farm
5 that receive a partial payment under this subsection
6 for a crop year shall repay to the Secretary the
7 amount, if any, by which the total of the partial pay-
8 ments exceed the actual counter-cyclical payment to
9 be made for the covered commodity for that crop
10 year.

11 **SEC. 1105. PRODUCER AGREEMENT REQUIRED AS CONDI-**
12 **TION OF PROVISION OF DIRECT PAYMENTS**
13 **AND COUNTER-CYCLICAL PAYMENTS.**

14 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

15 (1) REQUIREMENTS.—Before the producers on
16 a farm may receive direct payments or counter-cycli-
17 cal payments with respect to the farm, the producers
18 shall agree, during the crop year for which the pay-
19 ments are made and in exchange for the payments—

20 (A) to comply with applicable conservation
21 requirements under subtitle B of title XII of
22 the Food Security Act of 1985 (16 U.S.C. 3811
23 et seq.);

1 (B) to comply with applicable wetland pro-
2 tection requirements under subtitle C of title
3 XII of that Act (16 U.S.C. 3821 et seq.);

4 (C) to comply with the planting flexibility
5 requirements of section 1106;

6 (D) to use the land on the farm, in a
7 quantity equal to the attributable base acres for
8 the farm and any base acres for peanuts for the
9 farm under part III, for an agricultural or con-
10 serving use, and not for a nonagricultural com-
11 mercial, industrial, or residential use (including
12 land subdivided and developed into residential
13 units or other nonfarming uses, or that is oth-
14 erwise no longer intended to be used in conjunc-
15 tion with a farming operation), as determined
16 by the Secretary; and

17 (E) to effectively control noxious weeds
18 and otherwise maintain the land in accordance
19 with sound agricultural practices, as determined
20 by the Secretary, if the agricultural or con-
21 serving use involves the noncultivation of any
22 portion of the land referred to in subparagraph
23 (D).

24 (2) COMPLIANCE.—The Secretary may issue
25 such rules as the Secretary considers necessary to

1 ensure producer compliance with the requirements of
2 paragraph (1).

3 (3) MODIFICATION.—At the request of the
4 transferee or owner, the Secretary may modify the
5 requirements of this subsection if the modifications
6 are consistent with the objectives of this subsection,
7 as determined by the Secretary.

8 (b) TRANSFER OR CHANGE OF INTEREST IN
9 FARM.—

10 (1) TERMINATION.—

11 (A) IN GENERAL.—Except as provided in
12 paragraph (2), a transfer of (or change in) the
13 interest of the producers on a farm in base
14 acres for which direct payments or counter-cy-
15 clical payments are made shall result in the ter-
16 mination of the payments with respect to the
17 base acres, unless the transferee or owner of
18 the acreage agrees to assume all obligations
19 under subsection (a).

20 (B) EFFECTIVE DATE.—The termination
21 shall take effect on the date determined by the
22 Secretary.

23 (2) EXCEPTION.—If a producer entitled to a di-
24 rect payment or counter-cyclical payment dies, be-
25 comes incompetent, or is otherwise unable to receive

1 the payment, the Secretary shall make the payment,
2 in accordance with rules issued by the Secretary.

3 (c) ACREAGE REPORTS.—

4 (1) IN GENERAL.—As a condition on the receipt
5 of any benefits under this part or part II, the Sec-
6 retary shall require producers on a farm to submit
7 to the Secretary annual acreage reports with respect
8 to all cropland on the farm.

9 (2) PENALTIES.—No penalty with respect to
10 benefits under this part or part II shall be assessed
11 against the producers on a farm for an inaccurate
12 acreage report unless the producers on the farm
13 knowingly and willfully falsified the acreage report.

14 (d) TENANTS AND SHARECROPPERS.—In carrying
15 out this subtitle, the Secretary shall provide adequate safe-
16 guards to protect the interests of tenants and share-
17 croppers.

18 (e) SHARING OF PAYMENTS.—The Secretary shall
19 provide for the sharing of direct payments and counter-
20 cyclical payments among the producers on a farm on a
21 fair and equitable basis.

22 **SEC. 1106. PLANTING FLEXIBILITY.**

23 (a) PERMITTED CROPS.—Subject to subsection (b),
24 any commodity or crop may be planted on base acres on
25 a farm.

1 (b) LIMITATIONS REGARDING CERTAIN COMMOD-
2 ITIES.—

3 (1) GENERAL LIMITATION.—The planting of an
4 agricultural commodity specified in paragraph (3)
5 shall be prohibited on base acres unless the com-
6 modity, if planted, is destroyed before harvest.

7 (2) TREATMENT OF TREES AND OTHER
8 PERENNIALS.—The planting of an agricultural com-
9 modity specified in paragraph (3) that is produced
10 on a tree or other perennial plant shall be prohibited
11 on base acres.

12 (3) COVERED AGRICULTURAL COMMODITIES.—
13 Paragraphs (1) and (2) apply to the following agri-
14 cultural commodities:

15 (A) Fruits.

16 (B) Vegetables (other than mung beans
17 and pulse crops).

18 (C) Wild rice.

19 (c) EXCEPTIONS.—Paragraphs (1) and (2) of sub-
20 section (b) shall not limit the planting of an agricultural
21 commodity specified in paragraph (3) of that subsection—

22 (1) in any region in which there is a history of
23 double-cropping of covered commodities with agricul-
24 tural commodities specified in subsection (b)(3), as

1 determined by the Secretary, in which case the dou-
2 ble-cropping shall be permitted;

3 (2) on a farm that the Secretary determines
4 has a history of planting agricultural commodities
5 specified in subsection (b)(3) on base acres, except
6 that direct payments and counter-cyclical payments
7 shall be reduced by an acre for each acre planted to
8 such an agricultural commodity; or

9 (3) by the producers on a farm that the Sec-
10 retary determines has an established planting his-
11 tory of a specific agricultural commodity specified in
12 subsection (b)(3), except that—

13 (A) the quantity planted may not exceed
14 the average annual planting history of such ag-
15 ricultural commodity by the producers on the
16 farm in the 1991 through 1995 or 1998
17 through 2001 crop years (excluding any crop
18 year in which no plantings were made), as de-
19 termined by the Secretary; and

20 (B) direct payments and counter-cyclical
21 payments shall be reduced by an acre for each
22 acre planted to such agricultural commodity.

23 (d) PLANTING TRANSFERABILITY PILOT PROJECT.—

24 (1) PILOT PROJECT AUTHORIZED.—In addition
25 to the exceptions provided in subsection (c), the Sec-

1 retary shall carry out a pilot project in the State of
2 Indiana under which paragraphs (1) and (2) of sub-
3 section (b) shall not limit the planting of tomatoes
4 grown for processing on up to 10,000 base acres
5 during each of the 2008 through 2009 crop years.

6 (2) CONTRACT AND MANAGEMENT REQUIRE-
7 MENTS.—To be eligible for selection to participate in
8 the pilot project, the producers on a farm shall—

9 (A) have entered into a contract to
10 produce tomatoes for processing; and

11 (B) agree to produce the tomatoes as part
12 of a program of crop rotation on the farm to
13 achieve agronomic and pest and disease man-
14 agement benefits.

15 (3) TEMPORARY REDUCTION IN BASE ACRES.—
16 The base acres on a farm participating in the pilot
17 program for a crop year shall be reduced by an acre
18 for each acre planted to tomatoes under the pilot
19 program.

20 (4) RECALCULATION OF BASE ACRES.—

21 (A) IN GENERAL.—If the Secretary recal-
22 culates base acres for a farm while the farm is
23 included in the pilot project, the planting and
24 production of tomatoes on base acres for which
25 a temporary reduction was made under this sec-

1 tion shall be considered to be the same as the
2 planting and production of a covered com-
3 modity.

4 (B) PROHIBITION.—Nothing in this para-
5 graph provides authority for the Secretary to
6 recalculate base acres for a farm.

7 **SEC. 1107. SPECIAL RULE FOR LONG GRAIN AND MEDIUM**
8 **GRAIN RICE.**

9 (a) CALCULATION METHOD.—Subject to subsections
10 (b) and (c), for the purposes of determining the amount
11 of the counter-cyclical payments to be paid to the pro-
12 ducers on a farm for long grain rice and medium grain
13 rice under section 1104, the base acres of rice on the farm
14 shall be apportioned using the 4-year average of the per-
15 centages of acreage planted in the applicable State to long
16 grain rice and medium grain rice during the 2003 through
17 2006 crop years, as determined by the Secretary.

18 (b) PRODUCER ELECTION.—As an alternative to the
19 calculation method described in subsection (a), the Sec-
20 retary shall provide producers on a farm the opportunity
21 to elect to apportion rice base acres on the farm using
22 the 4-year average of—

23 (1) the percentages of acreage planted on the
24 farm to long grain rice and medium grain rice dur-
25 ing the 2003 through 2006 crop years;

1 (2) the percentages of any acreage on the farm
2 that the producers were prevented from planting to
3 long grain rice and medium grain rice during the
4 2003 through 2006 crop years because of drought,
5 flood, other natural disaster, or other condition be-
6 yond the control of the producers, as determined by
7 the Secretary; and

8 (3) in the case of a crop year for which a pro-
9 ducer on a farm elected not to plant to long grain
10 and medium grain rice during the 2003 through
11 2006 crop years, the percentages of acreage planted
12 in the applicable State to long grain rice and me-
13 dium grain rice, as determined by the Secretary.

14 (c) LIMITATION.—In carrying out this section, the
15 Secretary shall use the same total base acres, payment
16 acres, and payment yields established with respect to rice
17 under sections 1101 and 1102 of the Farm Security and
18 Rural Investment Act of 2002 (7 U.S.C. 7911, 7912), as
19 in effect on the day before the date of enactment of this
20 Act, subject to any adjustment under section 1101 of this
21 Act.

22 **SEC. 1108. PERIOD OF EFFECTIVENESS.**

23 This part shall be effective beginning with the 2008
24 crop year of each covered commodity through the 2012
25 crop year.

1 **PART II—MARKETING ASSISTANCE LOANS AND**
2 **LOAN DEFICIENCY PAYMENTS**
3 **SEC. 1201. AVAILABILITY OF NONRECOURSE MARKETING**
4 **ASSISTANCE LOANS FOR LOAN COMMOD-**
5 **ITIES.**

6 (a) NONRECOURSE LOANS AVAILABLE.—

7 (1) AVAILABILITY.—Except as provided in sec-
8 tion 1401, for each of the 2008 through 2012 crops
9 of each loan commodity, the Secretary shall make
10 available to producers on a farm nonrecourse mar-
11 keting assistance loans for loan commodities pro-
12 duced on the farm.

13 (2) TERMS AND CONDITIONS.—The marketing
14 assistance loans shall be made under terms and con-
15 ditions that are prescribed by the Secretary and at
16 the loan rate established under section 1202 for the
17 loan commodity.

18 (b) ELIGIBLE PRODUCTION.—The producers on a
19 farm shall be eligible for a marketing assistance loan
20 under subsection (a) for any quantity of a loan commodity
21 produced on the farm.

22 (c) TREATMENT OF CERTAIN COMMINGLED COM-
23 MODITIES.—In carrying out this part, the Secretary shall
24 make loans to producers on a farm that would be eligible
25 to obtain a marketing assistance loan, but for the fact the
26 loan commodity owned by the producers on the farm is

1 commingled with loan commodities of other producers in
2 facilities unlicensed for the storage of agricultural com-
3 modities by the Secretary or a State licensing authority,
4 if the producers obtaining the loan agree to immediately
5 redeem the loan collateral in accordance with section 166
6 of the Federal Agriculture Improvement and Reform Act
7 of 1996 (7 U.S.C. 7286).

8 (d) COMPLIANCE WITH CONSERVATION AND WET-
9 LANDS REQUIREMENTS.—As a condition of the receipt of
10 a marketing assistance loan under subsection (a), the pro-
11 ducer shall comply with applicable conservation require-
12 ments under subtitle B of title XII of the Food Security
13 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
14 land protection requirements under subtitle C of title XII
15 of the Act (16 U.S.C. 3821 et seq.) during the term of
16 the loan.

17 **SEC. 1202. LOAN RATES FOR NONRECOURSE MARKETING**
18 **ASSISTANCE LOANS.**

19 (a) LOAN RATES.—For each of the 2008 through
20 2012 crop years, the loan rate for a marketing assistance
21 loan under section 1201 for a loan commodity shall be
22 equal to the following:

- 23 (1) In the case of wheat, \$2.94 per bushel.
24 (2) In the case of corn, \$1.95 per bushel.

1 (3) In the case of grain sorghum, \$1.95 per
2 bushel.

3 (4) In the case of barley, \$1.95 per bushel.

4 (5) In the case of oats, \$1.39 per bushel.

5 (6) In the case of the base quality of upland
6 cotton, \$0.52 per pound.

7 (7) In the case of extra long staple cotton,
8 \$0.7977 per pound.

9 (8) In the case of long grain rice, \$6.50 per
10 hundredweight.

11 (9) in the case of medium grain rice, \$6.50 per
12 hundredweight.

13 (10) In the case of soybeans, \$5.00 per bushel.

14 (11) In the case of other oilseeds, \$10.09 per
15 hundredweight.

16 (12) In the case of dry peas, \$5.40 per hun-
17 dredweight.

18 (13) In the case of lentils, \$11.28 per hundred-
19 weight.

20 (14) In the case of small chickpeas, \$7.43 per
21 hundredweight.

22 (15) In the case of large chickpeas, \$11.28 per
23 hundredweight.

24 (16) In the case of graded wool, \$1.20 per
25 pound.

1 (17) In the case of nongraded wool, \$0.40 per
2 pound.

3 (18) In the case of mohair, \$4.20 per pound.

4 (19) In the case of honey, \$0.72 per pound.

5 (b) SINGLE COUNTY LOAN RATE FOR OTHER OIL-
6 SEEDS.—The Secretary shall establish a single loan rate
7 in each county for each kind of other oilseeds described
8 in subsection (a)(10).

9 (c) GRADING BASIS FOR MARKETING LOANS FOR
10 PULSE CROPS.—The loan rate for pulse crops—

11 (1) shall be based on a grade not less than
12 grade number 2 or other grade factors, including the
13 fair and average quality of the 1 or more crops in
14 any year; and

15 (2) may be adjusted by the Secretary to reflect
16 the normal market discounts for grades less than
17 number 2 quality.

18 (d) CORN AND GRAIN SORGHUM.—The Secretary
19 shall—

20 (1) establish a single county loan rate for corn
21 and grain sorghum in each county;

22 (2) establish a single national average loan rate
23 for corn and grain sorghum; and

24 (3) determine each county loan rate and the na-
25 tional average loan rate for corn and grain sorghum,

1 and any and all other program loan rates applicable
2 to corn and grain sorghum, from a data set that in-
3 cludes prices for both corn and grain sorghum.

4 **SEC. 1203. TERM OF LOANS.**

5 (a) TERM OF LOAN.—In the case of each loan com-
6 modity, a marketing assistance loan under section 1201
7 shall have a term of 9 months beginning on the first day
8 of the first month after the month in which the loan is
9 made.

10 (b) EXTENSIONS PROHIBITED.—The Secretary may
11 not extend the term of a marketing assistance loan for
12 any loan commodity.

13 **SEC. 1204. REPAYMENT OF LOANS.**

14 (a) GENERAL RULE.—The Secretary shall permit the
15 producers on a farm to repay a marketing assistance loan
16 under section 1201 for a loan commodity (other than up-
17 land cotton, long grain rice, medium grain rice, extra long
18 staple cotton, and confectionery and each other kind of
19 sunflower seed (other than oil sunflower seed)) at a rate
20 that is the lesser of—

21 (1) the loan rate established for the commodity
22 under section 1202, plus interest (determined in ac-
23 cordance with section 163 of the Federal Agriculture
24 Improvement and Reform Act of 1996 (7 U.S.C.
25 7283)); or

1 (2) a rate that the Secretary determines will—

2 (A) minimize potential loan forfeitures;

3 (B) minimize the accumulation of stocks of
4 the commodity by the Federal Government;

5 (C) minimize the cost incurred by the Fed-
6 eral Government in storing the commodity;

7 (D) allow the commodity produced in the
8 United States to be marketed freely and com-
9 petitively, both domestically and internationally;
10 and

11 (E) minimize discrepancies in marketing
12 loan benefits across State boundaries and
13 across county boundaries.

14 (b) REPAYMENT RATES FOR UPLAND COTTON, LONG
15 GRAIN RICE, AND MEDIUM GRAIN RICE.—The Secretary
16 shall permit producers to repay a marketing assistance
17 loan under section 1201 for upland cotton, long grain rice,
18 and medium grain rice at a rate that is the lesser of—

19 (1) the loan rate established for the commodity
20 under section 1202, plus interest (determined in ac-
21 cordance with section 163 of the Federal Agriculture
22 Improvement and Reform Act of 1996 (7 U.S.C.
23 7283)); or

1 (2) the prevailing world market price for the
2 commodity (adjusted to United States quality and
3 location), as determined by the Secretary.

4 (c) REPAYMENT RATES FOR EXTRA LONG STAPLE
5 COTTON.—Repayment of a marketing assistance loan for
6 extra long staple cotton shall be at the loan rate estab-
7 lished for the commodity under section 1202, plus interest
8 (determined in accordance with section 163 of the Federal
9 Agriculture Improvement and Reform Act of 1996 (7
10 U.S.C. 7283)).

11 (d) PREVAILING WORLD MARKET PRICE.—For pur-
12 poses of this section and section 1207, the Secretary shall
13 prescribe by regulation—

14 (1) a formula to determine—

15 (A) the prevailing world market price for
16 upland cotton (adjusted to United States qual-
17 ity and location); and

18 (B) the prevailing world market price for
19 long grain rice and medium grain rice, adjusted
20 to United States quality and location; and

21 (2) a mechanism by which the Secretary shall
22 announce periodically the prevailing world market
23 price for upland cotton, long grain rice, and medium
24 grain rice.

1 (e) ADJUSTMENT OF PREVAILING WORLD MARKET
2 PRICE FOR UPLAND COTTON.—

3 (1) IN GENERAL.—During the period beginning
4 on the date of enactment of this Act and ending
5 July 31, 2013, the Secretary may further adjust the
6 prevailing world market price for upland cotton (ad-
7 justed to United States quality and location) if the
8 Secretary determines the adjustment is necessary—

9 (A) to minimize potential loan forfeitures;

10 (B) to minimize the accumulation of stocks
11 of upland cotton by the Federal Government;

12 (C) to allow upland cotton produced in the
13 United States to be marketed freely and com-
14 petitively, both domestically and internationally;

15 (D) to ensure that upland cotton produced
16 in the United States is competitive in world
17 markets; and

18 (E) to ensure an appropriate transition be-
19 tween current-crop and forward-crop price
20 quotations, except that the Secretary may use
21 forward-crop price quotations prior to July 31
22 of a marketing year only if—

23 (i) there are insufficient current-crop
24 price quotations; and

1 (ii) the forward-crop price quotation is
2 the lowest such quotation available.

3 (2) GUIDELINES FOR ADDITIONAL ADJUST-
4 MENTS.—In making adjustments under this sub-
5 section, the Secretary shall establish a mechanism
6 for determining and announcing the adjustments in
7 order to avoid undue disruption in the United States
8 market.

9 (f) REPAYMENT RATES FOR CONFECTIONERY AND
10 OTHER KINDS OF SUNFLOWER SEEDS.—The Secretary
11 shall permit the producers on a farm to repay a marketing
12 assistance loan under section 1201 for confectionery and
13 each other kind of sunflower seed (other than oil sunflower
14 seed) at a rate that is the lesser of—

15 (1) the loan rate established for the commodity
16 under section 1202, plus interest (determined in ac-
17 cordance with section 163 of the Federal Agriculture
18 Improvement and Reform Act of 1996 (7 U.S.C.
19 7283)); or

20 (2) the repayment rate established for oil sun-
21 flower seed.

22 (g) QUALITY GRADES FOR PULSE CROPS.—The loan
23 repayment rate for pulse crops shall be based on the qual-
24 ity grades for the applicable commodity specified in section
25 1202(c).

1 (h) PAYMENT OF COTTON STORAGE COSTS.—Effec-
2 tive for the 2008 through 2012 crop years, the Secretary
3 shall use the funds of the Commodity Credit Corporation
4 to provide cotton storage payments in the same manner,
5 and at the same rates, as the Secretary provided those
6 payments for the 2006 crop of cotton.

7 **SEC. 1205. LOAN DEFICIENCY PAYMENTS.**

8 (a) AVAILABILITY OF LOAN DEFICIENCY PAY-
9 MENTS.—

10 (1) IN GENERAL.—Except as provided in sub-
11 section (d) and section 1401, the Secretary may
12 make loan deficiency payments available to pro-
13 ducers on a farm that, although eligible to obtain a
14 marketing assistance loan under section 1201 with
15 respect to a loan commodity, agree to forgo obtain-
16 ing the loan for the commodity in return for loan de-
17 ficiency payments under this section.

18 (2) UNSHORN PELTS, HAY, AND SILAGE.—

19 (A) MARKETING ASSISTANCE LOANS.—

20 Subject to subparagraph (B), nongraded wool
21 in the form of unshorn pelts and hay and silage
22 derived from a loan commodity are not eligible
23 for a marketing assistance loan under section
24 1201.

1 (B) LOAN DEFICIENCY PAYMENT.—Effective
2 tive for the 2008 through 2012 crop years, the
3 Secretary may make loan deficiency payments
4 available under this section to producers on a
5 farm that produce unshorn pelts or hay and si-
6 lage derived from a loan commodity.

7 (b) COMPUTATION.—A loan deficiency payment for a
8 loan commodity or commodity referred to in subsection
9 (a)(2) shall be computed by multiplying—

10 (1) the payment rate determined under sub-
11 section (c) for the commodity; by

12 (2) the quantity of the commodity produced by
13 the eligible producers, excluding any quantity for
14 which the producers obtain a marketing assistance
15 loan under section 1201.

16 (c) PAYMENT RATE.—

17 (1) IN GENERAL.—In the case of a loan com-
18 modity, the payment rate shall be the amount by
19 which—

20 (A) the loan rate established under section
21 1202 for the loan commodity; exceeds

22 (B) the rate at which a marketing assist-
23 ance loan for the loan commodity may be repaid
24 under section 1204.

1 (2) UNSHORN PELTS.—In the case of unshorn
2 pelts, the payment rate shall be the amount by
3 which—

4 (A) the loan rate established under section
5 1202 for ungraded wool; exceeds

6 (B) the rate at which a marketing assist-
7 ance loan for ungraded wool may be repaid
8 under section 1204.

9 (3) HAY AND SILAGE.—In the case of hay or si-
10 lage derived from a loan commodity, the payment
11 rate shall be the amount by which—

12 (A) the loan rate established under section
13 1202 for the loan commodity from which the
14 hay or silage is derived; exceeds

15 (B) the rate at which a marketing assist-
16 ance loan for the loan commodity may be repaid
17 under section 1204.

18 (d) EXCEPTION FOR EXTRA LONG STAPLE COT-
19 TON.—This section shall not apply with respect to extra
20 long staple cotton.

21 (e) EFFECTIVE DATE FOR PAYMENT RATE DETER-
22 MINATION.—

23 (1) LOSS OF BENEFICIAL INTEREST.—The Sec-
24 retary shall determine the amount of the loan defi-
25 ciency payment to be made under this section to the

1 producers on a farm with respect to a quantity of
2 a loan commodity or commodity referred to in sub-
3 section (a)(2) using the payment rate in effect under
4 subsection (c) as soon as practicable after the date
5 on which the producers on the farm lose beneficial
6 interest.

7 (2) ON-FARM CONSUMPTION.—For the quantity
8 of a loan commodity or commodity referred to in
9 subsection (a)(2) consumed on a farm, the Secretary
10 shall provide procedures to determine a date on
11 which the producers on the farm lose beneficial in-
12 terest.

13 (3) APPLICABILITY.—This subsection does not
14 apply for the 2009 through 2012 crop years.

15 **SEC. 1206. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAY-**
16 **MENTS FOR GRAZED ACREAGE.**

17 (a) ELIGIBLE PRODUCERS.—

18 (1) IN GENERAL.—Except as provided in sec-
19 tion 1401, effective for the 2008 through 2012 crop
20 years, in the case of a producer that would be eligi-
21 ble for a loan deficiency payment under section 1205
22 for wheat, barley, or oats, but that elects to use
23 acreage planted to the wheat, barley, or oats for the
24 grazing of livestock, the Secretary shall make a pay-
25 ment to the producer under this section if the pro-

1 ducer enters into an agreement with the Secretary
2 to forgo any other harvesting of the wheat, barley,
3 or oats on that acreage.

4 (2) GRAZING OF TRITICALE ACREAGE.—Effective
5 for the 2008 through 2012 crop years, with re-
6 spect to a producer on a farm that uses acreage
7 planted to triticale for the grazing of livestock, the
8 Secretary shall make a payment to the producer
9 under this section if the producer enters into an
10 agreement with the Secretary to forgo any other
11 harvesting of triticale on that acreage.

12 (b) PAYMENT AMOUNT.—

13 (1) IN GENERAL.—The amount of a payment
14 made under this section to a producer on a farm de-
15 scribed in subsection (a)(1) shall be equal to the
16 amount determined by multiplying—

17 (A) the loan deficiency payment rate deter-
18 mined under section 1205(c) in effect, as of the
19 date of the agreement, for the county in which
20 the farm is located; by

21 (B) the payment quantity determined by
22 multiplying—

23 (i) the quantity of the grazed acreage
24 on the farm with respect to which the pro-

1 ducer elects to forgo harvesting of wheat,
2 barley, or oats; and

3 (ii) the payment yield in effect for the
4 calculation of direct payments under part I
5 with respect to that loan commodity on the
6 farm or, in the case of a farm without a
7 payment yield for that loan commodity, an
8 appropriate yield established by the Sec-
9 retary in a manner consistent with section
10 1102(c).

11 (2) GRAZING OF TRITICALE ACREAGE.—The
12 amount of a payment made under this section to a
13 producer on a farm described in subsection (a)(2)
14 shall be equal to the amount determined by multi-
15 plying—

16 (A) the loan deficiency payment rate deter-
17 mined under section 1205(c) in effect for
18 wheat, as of the date of the agreement, for the
19 county in which the farm is located; by

20 (B) the payment quantity determined by
21 multiplying—

22 (i) the quantity of the grazed acreage
23 on the farm with respect to which the pro-
24 ducer elects to forgo harvesting of triticale;
25 and

1 (ii) the payment yield in effect for the
2 calculation of direct payments under part I
3 with respect to wheat on the farm or, in
4 the case of a farm without a payment yield
5 for wheat, an appropriate yield established
6 by the Secretary in a manner consistent
7 with section 1102(c).

8 (c) TIME, MANNER, AND AVAILABILITY OF PAY-
9 MENT.—

10 (1) TIME AND MANNER.—A payment under this
11 section shall be made at the same time and in the
12 same manner as loan deficiency payments are made
13 under section 1205.

14 (2) AVAILABILITY.—

15 (A) IN GENERAL.—The Secretary shall es-
16 tablish an availability period for the payments
17 authorized by this section.

18 (B) CERTAIN COMMODITIES.—In the case
19 of wheat, barley, and oats, the availability pe-
20 riod shall be consistent with the availability pe-
21 riod for the commodity established by the Sec-
22 retary for marketing assistance loans author-
23 ized by this part.

24 (d) PROHIBITION ON CROP INSURANCE INDEMNITY
25 OR NONINSURED CROP ASSISTANCE.—A 2008 through

1 2012 crop of wheat, barley, oats, or triticale planted on
2 acreage that a producer elects, in the agreement required
3 by subsection (a), to use for the grazing of livestock in
4 lieu of any other harvesting of the crop shall not be eligible
5 for an indemnity under a policy or plan of insurance au-
6 thorized under the Federal Crop Insurance Act (7 U.S.C.
7 1501 et seq.) or noninsured crop assistance under section
8 196 of the Federal Agriculture Improvement and Reform
9 Act of 1996 (7 U.S.C. 7333).

10 **SEC. 1207. SPECIAL MARKETING LOAN PROVISIONS FOR**
11 **UPLAND COTTON.**

12 (a) SPECIAL IMPORT QUOTA.—

13 (1) DEFINITION OF SPECIAL IMPORT QUOTA.—

14 In this subsection, the term “special import quota”
15 means a quantity of imports that is not subject to
16 the over-quota tariff rate of a tariff-rate quota.

17 (2) ESTABLISHMENT.—

18 (A) IN GENERAL.—The President shall
19 carry out an import quota program during the
20 period beginning on the date of the enactment
21 of this Act through July 31, 2013, as provided
22 in this subsection.

23 (B) PROGRAM REQUIREMENTS.—Whenever
24 the Secretary determines and announces that
25 for any consecutive 4-week period, the Friday

1 through Thursday average price quotation for
2 the lowest-priced United States growth, as
3 quoted for Middling (M) 1 $\frac{3}{32}$ -inch cotton, de-
4 livered to a definable and significant inter-
5 national market, as determined by the Sec-
6 retary, exceeds the prevailing world market
7 price, there shall immediately be in effect a spe-
8 cial import quota.

9 (3) QUANTITY.—The quota shall be equal to 1
10 week's consumption of cotton by domestic mills at
11 the seasonally adjusted average rate of the most re-
12 cent 3 months for which data are available.

13 (4) APPLICATION.—The quota shall apply to
14 upland cotton purchased not later than 90 days
15 after the date of the Secretary's announcement
16 under paragraph (2) and entered into the United
17 States not later than 180 days after that date.

18 (5) OVERLAP.—A special quota period may be
19 established that overlaps any existing quota period if
20 required by paragraph (2), except that a special
21 quota period may not be established under this sub-
22 section if a quota period has been established under
23 subsection (b).

1 (6) PREFERENTIAL TARIFF TREATMENT.—The
2 quantity under a special import quota shall be con-
3 sidered to be an in-quota quantity for purposes of—

4 (A) section 213(d) of the Caribbean Basin
5 Economic Recovery Act (19 U.S.C. 2703(d));

6 (B) section 204 of the Andean Trade Pref-
7 erence Act (19 U.S.C. 3203);

8 (C) section 503(d) of the Trade Act of
9 1974 (19 U.S.C. 2463(d)); and

10 (D) General Note 3(a)(iv) to the Har-
11 monized Tariff Schedule.

12 (7) LIMITATION.—The quantity of cotton en-
13 tered into the United States during any marketing
14 year under the special import quota established
15 under this subsection may not exceed the equivalent
16 of 10 week’s consumption of upland cotton by do-
17 mestic mills at the seasonally adjusted average rate
18 of the 3 months immediately preceding the first spe-
19 cial import quota established in any marketing year.

20 (b) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND
21 COTTON.—

22 (1) DEFINITIONS.—In this subsection:

23 (A) SUPPLY.—The term “supply” means,
24 using the latest official data of the Bureau of

1 the Census, the Department of Agriculture, and
2 the Department of the Treasury—

3 (i) the carry-over of upland cotton at
4 the beginning of the marketing year (ad-
5 justed to 480-pound bales) in which the
6 quota is established;

7 (ii) production of the current crop;
8 and

9 (iii) imports to the latest date avail-
10 able during the marketing year.

11 (B) DEMAND.—The term “demand”
12 means—

13 (i) the average seasonally adjusted an-
14 nual rate of domestic mill consumption of
15 cotton during the most recent 3 months
16 for which data are available; and

17 (ii) the larger of—

18 (I) average exports of upland cot-
19 ton during the preceding 6 marketing
20 years; or

21 (II) cumulative exports of upland
22 cotton plus outstanding export sales
23 for the marketing year in which the
24 quota is established.

1 (C) LIMITED GLOBAL IMPORT QUOTA.—

2 The term “limited global import quota” means
3 a quantity of imports that is not subject to the
4 over-quota tariff rate of a tariff-rate quota.

5 (2) PROGRAM.—The President shall carry out
6 an import quota program that provides that when-
7 ever the Secretary determines and announces that
8 the average price of the base quality of upland cot-
9 ton, as determined by the Secretary, in the des-
10 ignated spot markets for a month exceeded 130 per-
11 cent of the average price of the quality of cotton in
12 the markets for the preceding 36 months, notwith-
13 standing any other provision of law, there shall im-
14 mediately be in effect a limited global import quota
15 subject to the following conditions:

16 (A) QUANTITY.—The quantity of the quota
17 shall be equal to 21 days of domestic mill con-
18 sumption of upland cotton at the seasonally ad-
19 justed average rate of the most recent 3 months
20 for which data are available or as estimated by
21 the Secretary.

22 (B) QUANTITY IF PRIOR QUOTA.—If a
23 quota has been established under this sub-
24 section during the preceding 12 months, the
25 quantity of the quota next established under

1 this subsection shall be the smaller of 21 days
2 of domestic mill consumption calculated under
3 subparagraph (A) or the quantity required to
4 increase the supply to 130 percent of the de-
5 mand.

6 (C) PREFERENTIAL TARIFF TREAT-
7 MENT.—The quantity under a limited global
8 import quota shall be considered to be an in-
9 quota quantity for purposes of—

10 (i) section 213(d) of the Caribbean
11 Basin Economic Recovery Act (19 U.S.C.
12 2703(d));

13 (ii) section 204 of the Andean Trade
14 Preference Act (19 U.S.C. 3203);

15 (iii) section 503(d) of the Trade Act
16 of 1974 (19 U.S.C. 2463(d)); and

17 (iv) General Note 3(a)(iv) to the Har-
18 monized Tariff Schedule.

19 (D) QUOTA ENTRY PERIOD.—When a
20 quota is established under this subsection, cot-
21 ton may be entered under the quota during the
22 90-day period beginning on the date the quota
23 is established by the Secretary.

24 (3) NO OVERLAP.—Notwithstanding paragraph
25 (2), a quota period may not be established that over-

1 laps an existing quota period or a special quota pe-
2 riod established under subsection (a).

3 (c) ECONOMIC ADJUSTMENT ASSISTANCE TO USERS
4 OF UPLAND COTTON.—

5 (1) IN GENERAL.—Subject to paragraph (2),
6 the Secretary shall, on a monthly basis, provide eco-
7 nomic adjustment assistance to domestic users of
8 upland cotton in the form of payments for all docu-
9 mented use of that upland cotton during the pre-
10 vious monthly period regardless of the origin of the
11 upland cotton.

12 (2) VALUE OF ASSISTANCE.—

13 (A) BEGINNING PERIOD.—During the pe-
14 riod beginning on August 1, 2008, and ending
15 on June 30, 2013, the value of the assistance
16 provided under paragraph (1) shall be 4 cents
17 per pound.

18 (B) SUBSEQUENT PERIOD.—Effective be-
19 ginning on July 1, 2013, the value of the assist-
20 ance provided under paragraph (1) shall be 0
21 cents per pound.

22 (3) ALLOWABLE PURPOSES.—Economic adjust-
23 ment assistance under this subsection shall be made
24 available only to domestic users of upland cotton
25 that certify that the assistance shall be used only to

1 acquire, construct, install, modernize, develop, con-
2 vert, or expand land, plant, buildings, equipment, fa-
3 cilities, or machinery.

4 (4) REVIEW OR AUDIT.—The Secretary may
5 conduct such review or audit of the records of a do-
6 mestic user under this subsection as the Secretary
7 determines necessary to carry out this subsection.

8 (5) IMPROPER USE OF ASSISTANCE.—If the
9 Secretary determines, after a review or audit of the
10 records of the domestic user, that economic adjust-
11 ment assistance under this subsection was not used
12 for the purposes specified in paragraph (3), the do-
13 mestic user shall be—

14 (A) liable to repay the assistance to the
15 Secretary, plus interest, as determined by the
16 Secretary; and

17 (B) ineligible to receive assistance under
18 this subsection for a period of 1 year following
19 the determination of the Secretary.

20 **SEC. 1208. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA**
21 **LONG STAPLE COTTON.**

22 (a) COMPETITIVENESS PROGRAM.—Notwithstanding
23 any other provision of law, during the period beginning
24 on the date of the enactment of this Act through July 31,
25 2013, the Secretary shall carry out a program—

1 (1) to maintain and expand the domestic use of
2 extra long staple cotton produced in the United
3 States;

4 (2) to increase exports of extra long staple cot-
5 ton produced in the United States; and

6 (3) to ensure that extra long staple cotton pro-
7 duced in the United States remains competitive in
8 world markets.

9 (b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under
10 the program, the Secretary shall make payments available
11 under this section whenever—

12 (1) for a consecutive 4-week period, the world
13 market price for the lowest priced competing growth
14 of extra long staple cotton (adjusted to United
15 States quality and location and for other factors af-
16 fecting the competitiveness of such cotton), as deter-
17 mined by the Secretary, is below the prevailing
18 United States price for a competing growth of extra
19 long staple cotton; and

20 (2) the lowest priced competing growth of extra
21 long staple cotton (adjusted to United States quality
22 and location and for other factors affecting the com-
23 petitiveness of such cotton), as determined by the
24 Secretary, is less than 134 percent of the loan rate
25 for extra long staple cotton.

1 (c) ELIGIBLE RECIPIENTS.—The Secretary shall
2 make payments available under this section to domestic
3 users of extra long staple cotton produced in the United
4 States and exporters of extra long staple cotton produced
5 in the United States that enter into an agreement with
6 the Commodity Credit Corporation to participate in the
7 program under this section.

8 (d) PAYMENT AMOUNT.—Payments under this sec-
9 tion shall be based on the amount of the difference in the
10 prices referred to in subsection (b)(1) during the fourth
11 week of the consecutive 4-week period multiplied by the
12 amount of documented purchases by domestic users and
13 sales for export by exporters made in the week following
14 such a consecutive 4-week period.

15 **SEC. 1209. AVAILABILITY OF RECOURSE LOANS FOR HIGH**
16 **MOISTURE FEED GRAINS AND SEED COTTON.**

17 (a) HIGH MOISTURE FEED GRAINS.—

18 (1) DEFINITION OF HIGH MOISTURE STATE.—
19 In this subsection, the term “high moisture state”
20 means corn or grain sorghum having a moisture con-
21 tent in excess of Commodity Credit Corporation
22 standards for marketing assistance loans made by
23 the Secretary under section 1201.

24 (2) RECOURSE LOANS AVAILABLE.—For each of
25 the 2008 through 2012 crops of corn and grain sor-

1 ghum, the Secretary shall make available recourse
2 loans, as determined by the Secretary, to producers
3 on a farm that—

4 (A) normally harvest all or a portion of
5 their crop of corn or grain sorghum in a high
6 moisture state;

7 (B) present—

8 (i) certified scale tickets from an in-
9 spected, certified commercial scale, includ-
10 ing a licensed warehouse, feedlot, feed mill,
11 distillery, or other similar entity approved
12 by the Secretary, pursuant to regulations
13 issued by the Secretary; or

14 (ii) field or other physical measure-
15 ments of the standing or stored crop in re-
16 gions of the United States, as determined
17 by the Secretary, that do not have certified
18 commercial scales from which certified
19 scale tickets may be obtained within rea-
20 sonable proximity of harvest operation;

21 (C) certify that they were the owners of
22 the feed grain at the time of delivery to, and
23 that the quantity to be placed under loan under
24 this subsection was in fact harvested on the
25 farm and delivered to, a feedlot, feed mill, or

1 commercial or on-farm high-moisture storage
2 facility, or to a facility maintained by the users
3 of corn and grain sorghum in a high moisture
4 state; and

5 (D) comply with deadlines established by
6 the Secretary for harvesting the corn or grain
7 sorghum and submit applications for loans
8 under this subsection within deadlines estab-
9 lished by the Secretary.

10 (3) ELIGIBILITY OF ACQUIRED FEED GRAINS.—

11 A loan under this subsection shall be made on a
12 quantity of corn or grain sorghum of the same crop
13 acquired by the producer equivalent to a quantity
14 determined by multiplying—

15 (A) the acreage of the corn or grain sor-
16 ghum in a high moisture state harvested on the
17 producer's farm; by

18 (B) the lower of the farm program pay-
19 ment yield used to make counter-cyclical pay-
20 ments under part I or the actual yield on a
21 field, as determined by the Secretary, that is
22 similar to the field from which the corn or grain
23 sorghum was obtained.

24 (b) RECOURSE LOANS AVAILABLE FOR SEED COT-
25 TON.—For each of the 2008 through 2012 crops of upland

1 cotton and extra long staple cotton, the Secretary shall
2 make available recourse seed cotton loans, as determined
3 by the Secretary, on any production.

4 (c) REPAYMENT RATES.—Repayment of a recourse
5 loan made under this section shall be at the loan rate es-
6 tablished for the commodity by the Secretary, plus interest
7 (determined in accordance with section 163 of the Federal
8 Agriculture Improvement and Reform Act of 1996 (7
9 U.S.C. 7283)).

10 **SEC. 1210. ADJUSTMENTS OF LOANS.**

11 (a) ADJUSTMENT AUTHORITY.—Subject to sub-
12 sections (e) and (f), the Secretary may make appropriate
13 adjustments in the loan rates for any loan commodity
14 (other than cotton) for differences in grade, type, quality,
15 location, and other factors.

16 (b) MANNER OF ADJUSTMENT.—The adjustments
17 under subsection (a) shall, to the maximum extent prac-
18 ticable, be made in such a manner that the average loan
19 level for the commodity will, on the basis of the anticipated
20 incidence of the factors, be equal to the level of support
21 determined in accordance with this subtitle and subtitles
22 B through E.

23 (c) ADJUSTMENT ON COUNTY BASIS.—

24 (1) IN GENERAL.—The Secretary may establish
25 loan rates for a crop for producers in individual

1 counties in a manner that results in the lowest loan
2 rate being 95 percent of the national average loan
3 rate, if those loan rates do not result in an increase
4 in outlays.

5 (2) PROHIBITION.—Adjustments under this
6 subsection shall not result in an increase in the na-
7 tional average loan rate for any year.

8 (d) ADJUSTMENT IN LOAN RATE FOR COTTON.—

9 (1) IN GENERAL.—The Secretary may make
10 appropriate adjustments in the loan rate for cotton
11 for differences in quality factors.

12 (2) REVISIONS TO QUALITY ADJUSTMENTS FOR
13 UPLAND COTTON.—

14 (A) IN GENERAL.—Not later than 180
15 days after the enactment of this Act and after
16 consultation with the private sector in accord-
17 ance with paragraph (3), the Secretary shall
18 implement revisions in the administration of the
19 marketing assistance loan program for upland
20 cotton to more accurately and efficiently reflect
21 market values for upland cotton.

22 (B) MANDATORY REVISIONS.—Revisions
23 under subparagraph (A) shall include—

24 (i) the elimination of warehouse loca-
25 tion differentials;

1 (ii) the establishment of differentials
2 for the various quality factors and staple
3 lengths of cotton based on a 3-year,
4 weighted moving average of the weighted
5 designated spot market regions, as deter-
6 mined by regional production;

7 (iii) the elimination of any artificial
8 split in the premium or discount between
9 upland cotton with a 32 or 33 staple
10 length due to micronaire; and

11 (iv) a mechanism to ensure that no
12 premium or discount is established that ex-
13 ceeds the premium or discount associated
14 with a leaf grade that is 1 better than the
15 applicable color grade.

16 (C) DISCRETIONARY REVISIONS.—Revi-
17 sions under subparagraph (A) may include—

18 (i) the use of non-spot market price
19 data, in addition to spot market price data,
20 that would enhance the accuracy of the
21 price information used in determining
22 quality adjustments under this subsection;

23 (ii) adjustments in the premiums or
24 discounts associated with upland cotton
25 with a staple length of 33 or above due to

1 micronaire with the goal of eliminating any
2 unnecessary artificial splits in the calcula-
3 tions of the premiums or discounts; and

4 (iii) such other adjustments as the
5 Secretary determines appropriate, after
6 consultations conducted in accordance with
7 paragraph (3).

8 (3) CONSULTATION WITH PRIVATE SECTOR.—

9 (A) PRIOR TO REVISION.—Prior to imple-
10 menting any revisions to the administration of
11 the marketing assistance loan program for up-
12 land cotton, the Secretary shall consult with a
13 private sector committee that—

14 (i) is in existence as of the date of en-
15 actment of this Act;

16 (ii) has a membership that includes
17 representatives of the production, ginning,
18 warehousing, cooperative, and merchan-
19 dising segments of the United States cot-
20 ton industry; and

21 (iii) has developed recommendations
22 concerning the revisions.

23 (B) REVIEW OF ADJUSTMENTS.—The Sec-
24 retary shall consult with the committee de-
25 scribed in subparagraph (A) when conducting a

1 review of adjustments in the operation of the
2 loan program for upland cotton in accordance
3 with paragraph (4).

4 (C) INAPPLICABILITY OF FEDERAL ADVI-
5 SORY COMMITTEE ACT.—The Federal Advisory
6 Committee Act (5 U.S.C. App.) shall not apply
7 to consultations under this subsection.

8 (4) REVIEW OF ADJUSTMENTS.—The Secretary
9 may review the operation of the upland cotton qual-
10 ity adjustments implemented pursuant to this sub-
11 section and may make further revisions to the ad-
12 ministration of the loan program for upland cotton,
13 by—

14 (A) revoking or revising any actions taken
15 under paragraph (2)(B); or

16 (B) revoking or revising any actions taken
17 or authorized to be taken under paragraph
18 (2)(C).

19 (5) ADJUSTMENTS IN EFFECT PRIOR TO REVI-
20 SION.—The quality differences (premiums and dis-
21 counts for quality factors) applicable to the loan pro-
22 gram for upland cotton (prior to any revisions in ac-
23 cordance with this subsection) shall be established
24 by the Secretary by giving equal weight to—

1 (A) loan differences for the preceding crop;

2 and

3 (B) market differences for the crop in the

4 designated United States spot markets.

5 (e) CORN AND GRAIN SORGHUM.—In the case of corn
6 and grain sorghum, the Secretary—

7 (1) shall administer the applicable loan, mar-
8 keting loan, and related programs using a single
9 loan rate for corn and grain sorghum that is iden-
10 tical in each individual county;

11 (2) shall provide that any adjustment in the
12 corn and grain sorghum loan rate for location shall
13 be determined and applied on the basis of the com-
14 bined corn and grain sorghum data set in a manner
15 that any transportation adjustment shall be the
16 same for corn and grain sorghum in each individual
17 county; and

18 (3) may provide for adjustments for grade,
19 type, and quality, as appropriate, for the corn or
20 grain sorghum involved in each specific transaction.

21 (f) RICE.—The Secretary shall not make adjustments
22 in the loan rates for long grain rice and medium grain
23 rice, except for differences in grade and quality (including
24 milling yields).

1 **PART III—PEANUTS**

2 **SEC. 1301. DEFINITIONS.**

3 In this part:

4 (1) **BASE ACRES FOR PEANUTS.**—The term
5 “base acres for peanuts” means the number of acres
6 assigned to a farm pursuant to section 1302 of the
7 Farm Security and Rural Investment Act of 2002 (7
8 U.S.C. 7952), as in effect on the day before the date
9 of enactment of this Act, subject to any adjustment
10 under section 1302 of this Act.

11 (2) **COUNTER-CYCLICAL PAYMENT.**—The term
12 “counter-cyclical payment” means a payment made
13 to producers on a farm under section 1304.

14 (3) **DIRECT PAYMENT.**—The term “direct pay-
15 ment” means a direct payment made to producers
16 on a farm under section 1303.

17 (4) **EFFECTIVE PRICE.**—The term “effective
18 price” means the price calculated by the Secretary
19 under section 1304 for peanuts to determine wheth-
20 er counter-cyclical payments are required to be made
21 under that section for a crop year.

22 (5) **PAYMENT ACRES.**—The term “payment
23 acres” means 85 percent of the base acres for pea-
24 nuts.

25 (6) **PAYMENT YIELD.**—The term “payment
26 yield” means the yield established for direct pay-

1 ments and counter-cyclical payments under section
2 1302 of the Farm Security and Rural Investment
3 Act of 2002 (7 U.S.C. 7952), as in effect on the day
4 before the date of enactment of this Act, for a farm
5 for peanuts.

6 (7) PRODUCER.—

7 (A) IN GENERAL.—The term “producer”
8 means an owner, operator, landlord, tenant, or
9 sharecropper that shares in the risk of pro-
10 ducing a crop on a farm and is entitled to share
11 in the crop available for marketing from the
12 farm, or would have shared had the crop been
13 produced.

14 (B) HYBRID SEED.—In determining
15 whether a grower of hybrid seed is a producer,
16 the Secretary shall—

17 (i) not take into consideration the ex-
18 istence of a hybrid seed contract; and

19 (ii) ensure that program requirements
20 do not adversely affect the ability of the
21 grower to receive a payment under this
22 part.

23 (8) STATE.—The term “State” means—

24 (A) a State;

25 (B) the District of Columbia;

1 (C) the Commonwealth of Puerto Rico;
2 and

3 (D) any other territory or possession of the
4 United States.

5 (9) TARGET PRICE.—The term “target price”
6 means the price per ton of peanuts used to deter-
7 mine the payment rate for counter-cyclical pay-
8 ments.

9 (10) UNITED STATES.—The term “United
10 States”, when used in a geographical sense, means
11 all of the States.

12 **SEC. 1302. BASE ACRES FOR PEANUTS FOR A FARM.**

13 (a) ADJUSTMENT OF BASE ACREAGE FOR PEA-
14 NUTS.—

15 (1) TREATMENT OF CONSERVATION RESERVE
16 CONTRACT ACREAGE.—The Secretary shall provide
17 for an adjustment, as appropriate, in the base acres
18 for peanuts for a farm whenever either of the fol-
19 lowing circumstances occur:

20 (A) A conservation reserve contract en-
21 tered into under section 1231 of the Food Secu-
22 rity Act of 1985 (16 U.S.C. 3831) with respect
23 to the farm expires or is voluntarily terminated.

1 (B) Cropland is released from coverage
2 under a conservation reserve contract by the
3 Secretary.

4 (C) The producer has eligible pulse crop or
5 camelina acreage.

6 (D) The producer has eligible oilseed acre-
7 age as the result of the Secretary designating
8 additional oilseeds.

9 (2) SPECIAL CONSERVATION RESERVE ACREAGE
10 PAYMENT RULES.—For the crop year in which a
11 base acres for peanuts adjustment under paragraph
12 (1) is first made, the owner of the farm shall elect
13 to receive either direct payments and counter-cyclical
14 payments with respect to the acreage added to the
15 farm under this subsection or a prorated payment
16 under the conservation reserve contract, but not
17 both.

18 (b) PREVENTION OF EXCESS BASE ACRES FOR PEA-
19 NUTS.—

20 (1) REQUIRED REDUCTION.—If the sum of the
21 base acres for peanuts for a farm, together with the
22 acreage described in paragraph (2), exceeds the ac-
23 tual cropland acreage of the farm, the Secretary
24 shall reduce the base acres for peanuts for the farm
25 or the base acres for 1 or more covered commodities

1 for the farm so that the sum of the base acres for
2 peanuts and acreage described in paragraph (2) does
3 not exceed the actual cropland acreage of the farm.

4 (2) OTHER ACREAGE.—For purposes of para-
5 graph (1), the Secretary shall include the following:

6 (A) Any base acres for the farm for a cov-
7 ered commodity.

8 (B) Any acreage on the farm enrolled in
9 the conservation reserve program or wetlands
10 reserve program under chapter 1 of subtitle D
11 of title XII of the Food Security Act of 1985
12 (16 U.S.C. 3830 et seq.).

13 (C) Any other acreage on the farm enrolled
14 in a Federal conservation program for which
15 payments are made in exchange for not pro-
16 ducing an agricultural commodity on the acre-
17 age.

18 (D) Any eligible pulse crop or camelina
19 acreage, which shall be determined in the same
20 manner as eligible oilseed acreage under section
21 1101(a)(2) of the Farm Security and Rural In-
22 vestment Act of 2002 (7 U.S.C. 7911(a)(2)).

23 (E) If the Secretary designates additional
24 oilseeds, any eligible oilseed acreage, which shall
25 be determined in the same manner as eligible

1 oilseed acreage under section 1101(a)(2) of the
2 Farm Security and Rural Investment Act of
3 2002 (7 U.S.C. 7911(a)(2)).

4 (3) SELECTION OF ACRES.—The Secretary shall
5 give the owner of the farm the opportunity to select
6 the base acres for peanuts or the base acres for cov-
7 ered commodities against which the reduction re-
8 quired by paragraph (1) will be made.

9 (4) EXCEPTION FOR DOUBLE-CROPPED ACRE-
10 AGE.—In applying paragraph (1), the Secretary
11 shall make an exception in the case of double crop-
12 ping, as determined by the Secretary.

13 (5) COORDINATED APPLICATION OF REQUIRE-
14 MENTS.—The Secretary shall take into account sec-
15 tion 1101(b) when applying the requirements of this
16 subsection.

17 (c) PERMANENT REDUCTION IN BASE ACRES FOR
18 PEANUTS.—

19 (1) IN GENERAL.—The owner of a farm may
20 reduce, at any time, the base acres for peanuts as-
21 signed to the farm.

22 (2) ADMINISTRATION.—The reduction shall be
23 permanent and made in the manner prescribed by
24 the Secretary.

1 **SEC. 1303. AVAILABILITY OF DIRECT PAYMENTS FOR PEA-**
2 **NUTS.**

3 (a) **PAYMENT REQUIRED.**—Except as provided in
4 section 1401, for each of the 2008 through 2012 crop
5 years for peanuts, the Secretary shall make direct pay-
6 ments to the producers on a farm to which a payment
7 yield and base acres for peanuts are established.

8 (b) **PAYMENT RATE.**—The payment rate used to
9 make direct payments with respect to peanuts for a crop
10 year shall be equal to \$36 per ton.

11 (c) **PAYMENT AMOUNT.**—The amount of the direct
12 payment to be paid to the producers on a farm for the
13 2008 through 2012 crops of peanuts shall be equal to the
14 product of the following:

15 (1) The payment rate specified in subsection

16 (b).

17 (2) The payment acres on the farm.

18 (3) The payment yield for the farm.

19 (d) **TIME FOR PAYMENT.**—

20 (1) **IN GENERAL.**—In the case of each of the
21 2008 through 2012 crop years, the Secretary shall
22 make direct payments under this section not earlier
23 than October 1 of the calendar year in which the
24 crop is harvested.

25 (2) **ADVANCE PAYMENTS.**—

1 (A) OPTION.—At the option of the pro-
2 ducers on a farm, the Secretary shall pay in ad-
3 vance up to 22 percent of the direct payment
4 for peanuts for any of the 2008 through 2011
5 crop years to the producers on a farm.

6 (B) MONTH.—

7 (i) SELECTION.—Subject to clauses
8 (ii) and (iii), the producers on a farm shall
9 select the month during which the advance
10 payment for a crop year will be made.

11 (ii) OPTIONS.—The month selected
12 may be any month during the period—

13 (I) beginning on December 1 of
14 the calendar year before the calendar
15 year in which the crop of peanuts is
16 harvested; and

17 (II) ending during the month
18 within which the direct payment
19 would otherwise be made.

20 (iii) CHANGE.—The producers on a
21 farm may change the selected month for a
22 subsequent advance payment by providing
23 advance notice to the Secretary.

24 (3) REPAYMENT OF ADVANCE PAYMENTS.—If a
25 producer on a farm that receives an advance direct

1 payment for a crop year ceases to be a producer on
2 that farm, or the extent to which the producer
3 shares in the risk of producing a crop changes, be-
4 fore the date the remainder of the direct payment is
5 made, the producer shall be responsible for repaying
6 the Secretary the applicable amount of the advance
7 payment, as determined by the Secretary.

8 **SEC. 1304. AVAILABILITY OF COUNTER-CYCLICAL PAY-**
9 **MENTS FOR PEANUTS.**

10 (a) PAYMENT REQUIRED.—Except as provided in
11 section 1401, for each of the 2008 through 2012 crop
12 years for peanuts, the Secretary shall make counter-cycli-
13 cal payments to producers on farms for which payment
14 yields and base acres for peanuts are established if the
15 Secretary determines that the effective price for peanuts
16 is less than the target price for peanuts.

17 (b) EFFECTIVE PRICE.—For purposes of subsection
18 (a), the effective price for peanuts is equal to the sum
19 of the following:

20 (1) The higher of the following:

21 (A) The national average market price for
22 peanuts received by producers during the 12-
23 month marketing year for peanuts, as deter-
24 mined by the Secretary.

1 (B) The national average loan rate for a
2 marketing assistance loan for peanuts in effect
3 for the applicable period under this part.

4 (2) The payment rate in effect for peanuts
5 under section 1303 for the purpose of making direct
6 payments.

7 (c) TARGET PRICE.—For purposes of subsection (a),
8 the target price for peanuts shall be equal to \$495 per
9 ton.

10 (d) PAYMENT RATE.—The payment rate used to
11 make counter-cyclical payments for a crop year shall be
12 equal to the difference between—

13 (1) the target price; and

14 (2) the effective price determined under sub-
15 section (b).

16 (e) PAYMENT AMOUNT.—If counter-cyclical pay-
17 ments are required to be paid for any of the 2008 through
18 2012 crops of peanuts, the amount of the counter-cyclical
19 payment to be paid to the producers on a farm for that
20 crop year shall be equal to the product of the following:

21 (1) The payment rate specified in subsection
22 (d).

23 (2) The payment acres on the farm.

24 (3) The payment yield for the farm.

25 (f) TIME FOR PAYMENTS.—

1 (1) GENERAL RULE.—If the Secretary deter-
2 mines under subsection (a) that counter-cyclical pay-
3 ments are required to be made under this section for
4 a crop year, the Secretary shall make the counter-
5 cyclical payments for the crop year beginning on Oc-
6 tober 1 or as soon as practicable after the end of the
7 marketing year.

8 (2) AVAILABILITY OF PARTIAL PAYMENTS.—

9 (A) IN GENERAL.—If, before the end of
10 the 12-month marketing year, the Secretary es-
11 timates that counter-cyclical payments will be
12 required under this section for a crop year, the
13 Secretary shall give producers on a farm the
14 option to receive partial payments of the
15 counter-cyclical payment projected to be made
16 for the crop.

17 (B) ELECTION.—

18 (i) IN GENERAL.—The Secretary shall
19 allow participants to make an election to
20 receive partial payments under subpara-
21 graph (A) at any time but not later than
22 30 days prior to the end of the marketing
23 year for the crop.

24 (ii) DATE OF ISSUANCE.—The Sec-
25 retary shall issue the partial payment after

1 the date of an announcement by the Sec-
2 retary but not later than 30 days prior to
3 the end of the marketing year.

4 (3) TIME FOR PARTIAL PAYMENTS.—When the
5 Secretary makes partial payments available for any
6 of the 2008 through 2010 crop years—

7 (A) the first partial payment shall be made
8 after completion of the first 180 days of the
9 marketing year for that crop; and

10 (B) the final partial payment shall be
11 made on October 1 of the fiscal year starting
12 in the same calendar year as the end of the
13 marketing year for that crop.

14 (4) AMOUNT OF PARTIAL PAYMENTS.—

15 (A) FIRST PARTIAL PAYMENT.—For each
16 of the 2008 through 2010 crop years, the first
17 partial payment under paragraph (3) to the
18 producers on a farm may not exceed 40 percent
19 of the projected counter-cyclical payment for
20 the crop year, as determined by the Secretary.

21 (B) FINAL PAYMENT.—The final payment
22 for a crop year shall be equal to the difference
23 between—

1 (i) the actual counter-cyclical payment
2 to be made to the producers for that crop
3 year; and

4 (ii) the amount of the partial payment
5 made to the producers under subparagraph
6 (A).

7 (5) REPAYMENT.—The producers on a farm
8 that receive a partial payment under this subsection
9 for a crop year shall repay to the Secretary the
10 amount, if any, by which the total of the partial pay-
11 ments exceed the actual counter-cyclical payment to
12 be made for that crop year.

13 **SEC. 1305. PRODUCER AGREEMENT REQUIRED AS CONDI-**
14 **TION ON PROVISION OF DIRECT PAYMENTS**
15 **AND COUNTER-CYCLICAL PAYMENTS.**

16 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

17 (1) REQUIREMENTS.—Before the producers on
18 a farm may receive direct payments or counter-cycli-
19 cal payments under this part with respect to the
20 farm, the producers shall agree, during the crop year
21 for which the payments are made and in exchange
22 for the payments—

23 (A) to comply with applicable conservation
24 requirements under subtitle B of title XII of

1 the Food Security Act of 1985 (16 U.S.C. 3811
2 et seq.);

3 (B) to comply with applicable wetland pro-
4 tection requirements under subtitle C of title
5 XII of that Act (16 U.S.C. 3821 et seq.);

6 (C) to comply with the planting flexibility
7 requirements of section 1306;

8 (D) to use the land on the farm, in a
9 quantity equal to the attributable base acres for
10 peanuts and any base acres for the farm under
11 part I, for an agricultural or conserving use,
12 and not for a nonagricultural commercial, in-
13 dustrial, or residential use (including land sub-
14 divided and developed into residential units or
15 other nonfarming uses, or that is otherwise no
16 longer intended to be used in conjunction with
17 a farming operation), as determined by the Sec-
18 retary; and

19 (E) to effectively control noxious weeds
20 and otherwise maintain the land in accordance
21 with sound agricultural practices, as determined
22 by the Secretary, if the agricultural or con-
23 serving use involves the noncultivation of any
24 portion of the land referred to in subparagraph
25 (D).

1 (2) COMPLIANCE.—The Secretary may issue
2 such rules as the Secretary considers necessary to
3 ensure producer compliance with the requirements of
4 paragraph (1).

5 (3) MODIFICATION.—At the request of the
6 transferee or owner, the Secretary may modify the
7 requirements of this subsection if the modifications
8 are consistent with the objectives of this subsection,
9 as determined by the Secretary.

10 (b) TRANSFER OR CHANGE OF INTEREST IN
11 FARM.—

12 (1) TERMINATION.—

13 (A) IN GENERAL.—Except as provided in
14 paragraph (2), a transfer of (or change in) the
15 interest of the producers on a farm in the base
16 acres for peanuts for which direct payments or
17 counter-cyclical payments are made shall result
18 in the termination of the payments with respect
19 to those acres, unless the transferee or owner of
20 the acreage agrees to assume all obligations
21 under subsection (a).

22 (B) EFFECTIVE DATE.—The termination
23 shall take effect on the date determined by the
24 Secretary.

1 (2) EXCEPTION.—If a producer entitled to a di-
2 rect payment or counter-cyclical payment dies, be-
3 comes incompetent, or is otherwise unable to receive
4 the payment, the Secretary shall make the payment,
5 in accordance with rules issued by the Secretary.

6 (c) ACREAGE REPORTS.—

7 (1) IN GENERAL.—As a condition on the receipt
8 of any benefits under this part, the Secretary shall
9 require producers on a farm to submit to the Sec-
10 retary annual acreage reports with respect to all
11 cropland on the farm.

12 (2) PENALTIES.—No penalty with respect to
13 benefits under this part shall be assessed against the
14 producers on a farm for an inaccurate acreage re-
15 port unless the producers on the farm knowingly and
16 willfully falsified the acreage report.

17 (d) TENANTS AND SHARECROPPERS.—In carrying
18 out this part, the Secretary shall provide adequate safe-
19 guards to protect the interests of tenants and share-
20 croppers.

21 (e) SHARING OF PAYMENTS.—The Secretary shall
22 provide for the sharing of direct payments and counter-
23 cyclical payments among the producers on a farm on a
24 fair and equitable basis.

1 **SEC. 1306. PLANTING FLEXIBILITY.**

2 (a) PERMITTED CROPS.—Subject to subsection (b),
3 any commodity or crop may be planted on the base acres
4 for peanuts on a farm.

5 (b) LIMITATIONS REGARDING CERTAIN COMMOD-
6 ITIES.—

7 (1) GENERAL LIMITATION.—The planting of an
8 agricultural commodity specified in paragraph (3)
9 shall be prohibited on base acres for peanuts unless
10 the commodity, if planted, is destroyed before har-
11 vest.

12 (2) TREATMENT OF TREES AND OTHER
13 PERENNIALS.—The planting of an agricultural com-
14 modity specified in paragraph (3) that is produced
15 on a tree or other perennial plant shall be prohibited
16 on base acres for peanuts.

17 (3) COVERED AGRICULTURAL COMMODITIES.—
18 Paragraphs (1) and (2) apply to the following agri-
19 cultural commodities:

20 (A) Fruits.

21 (B) Vegetables (other than mung beans
22 and pulse crops).

23 (C) Wild rice.

24 (c) EXCEPTIONS.—Paragraphs (1) and (2) of sub-
25 section (b) shall not limit the planting of an agricultural
26 commodity specified in paragraph (3) of that subsection—

1 (1) in any region in which there is a history of
2 double-cropping of peanuts with agricultural com-
3 modities specified in subsection (b)(3), as deter-
4 mined by the Secretary, in which case the double-
5 cropping shall be permitted;

6 (2) on a farm that the Secretary determines
7 has a history of planting agricultural commodities
8 specified in subsection (b)(3) on the base acres for
9 peanuts, except that direct payments and counter-cy-
10 clical payments shall be reduced by an acre for each
11 acre planted to such an agricultural commodity; or

12 (3) by the producers on a farm that the Sec-
13 retary determines has an established planting his-
14 tory of a specific agricultural commodity specified in
15 subsection (b)(3), except that—

16 (A) the quantity planted may not exceed
17 the average annual planting history of such ag-
18 ricultural commodity by the producers on the
19 farm in the 1991 through 1995 or 1998
20 through 2001 crop years (excluding any crop
21 year in which no plantings were made), as de-
22 termined by the Secretary; and

23 (B) direct payments and counter-cyclical
24 payments shall be reduced by an acre for each
25 acre planted to such agricultural commodity.

1 **SEC. 1307. MARKETING ASSISTANCE LOANS AND LOAN DE-**
2 **FICIENCY PAYMENTS FOR PEANUTS.**

3 (a) NONRECOURSE LOANS AVAILABLE.—

4 (1) AVAILABILITY.—Except as provided in sec-
5 tion 1401, for each of the 2008 through 2012 crops
6 of peanuts, the Secretary shall make available to
7 producers on a farm nonrecourse marketing assist-
8 ance loans for peanuts produced on the farm.

9 (2) TERMS AND CONDITIONS.—The loans shall
10 be made under terms and conditions that are pre-
11 scribed by the Secretary and at the loan rate estab-
12 lished under subsection (b).

13 (3) ELIGIBLE PRODUCTION.—The producers on
14 a farm shall be eligible for a marketing assistance
15 loan under this subsection for any quantity of pea-
16 nuts produced on the farm.

17 (4) TREATMENT OF CERTAIN COMMINGLED
18 COMMODITIES.—In carrying out this subsection, the
19 Secretary shall make loans to producers on a farm
20 that would be eligible to obtain a marketing assist-
21 ance loan, but for the fact the peanuts owned by the
22 producers on the farm are commingled with other
23 peanuts in facilities unlicensed for the storage of ag-
24 ricultural commodities by the Secretary or a State li-
25 censing authority, if the producers obtaining the
26 loan agree to immediately redeem the loan collateral

1 in accordance with section 166 of the Federal Agri-
2 culture Improvement and Reform Act of 1996 (7
3 U.S.C. 7286).

4 (5) OPTIONS FOR OBTAINING LOAN.—A mar-
5 keting assistance loan under this subsection, and
6 loan deficiency payments under subsection (e), may
7 be obtained at the option of the producers on a farm
8 through—

9 (A) a designated marketing association or
10 marketing cooperative of producers that is ap-
11 proved by the Secretary; or

12 (B) the Farm Service Agency.

13 (6) STORAGE OF LOAN PEANUTS.—As a condi-
14 tion on the Secretary's approval of an individual or
15 entity to provide storage for peanuts for which a
16 marketing assistance loan is made under this sec-
17 tion, the individual or entity shall agree—

18 (A) to provide such storage on a non-
19 discriminatory basis; and

20 (B) to comply with such additional require-
21 ments as the Secretary considers appropriate to
22 accomplish the purposes of this section and pro-
23 mote fairness in the administration of the bene-
24 fits of this section.

1 (7) STORAGE, HANDLING, AND ASSOCIATED
2 COSTS.—

3 (A) IN GENERAL.—Beginning with the
4 2007 crop of peanuts, to ensure proper storage
5 of peanuts for which a loan is made under this
6 section or section 1307 of the Farm Security
7 and Rural Investment Act of 2002 (7 U.S.C.
8 7957), the Secretary shall use the funds of the
9 Commodity Credit Corporation to pay handling
10 and other associated costs (other than storage
11 costs) incurred at the time at which the peanuts
12 are placed under loan, as determined by the
13 Secretary.

14 (B) REDEMPTION AND FORFEITURE.—The
15 Secretary shall—

16 (i) require the repayment of handling
17 and other associated costs paid under sub-
18 paragraph (A) for all peanuts pledged as
19 collateral for a loan that is redeemed under
20 this section or section 1307 of the Farm
21 Security and Rural Investment Act of
22 2002 (7 U.S.C. 7957); and

23 (ii) pay storage, handling, and other
24 associated costs for all peanuts pledged as

1 collateral that are forfeited under this sec-
2 tion or section 1307 of that Act.

3 (8) MARKETING.—A marketing association or
4 cooperative may market peanuts for which a loan is
5 made under this section in any manner that con-
6 forms to consumer needs, including the separation of
7 peanuts by type and quality.

8 (b) LOAN RATE.—The loan rate for a marketing as-
9 sistance loan for peanuts under subsection (a) shall be
10 equal to \$355 per ton.

11 (c) TERM OF LOAN.—

12 (1) IN GENERAL.—A marketing assistance loan
13 for peanuts under subsection (a) shall have a term
14 of 9 months beginning on the first day of the first
15 month after the month in which the loan is made.

16 (2) EXTENSIONS PROHIBITED.—The Secretary
17 may not extend the term of a marketing assistance
18 loan for peanuts under subsection (a).

19 (d) REPAYMENT RATE.—The Secretary shall permit
20 producers on a farm to repay a marketing assistance loan
21 for peanuts under subsection (a) at a rate that is the less-
22 er of—

23 (1) the loan rate established for peanuts under
24 subsection (b), plus interest (determined in accord-
25 ance with section 163 of the Federal Agriculture Im-

1 provement and Reform Act of 1996 (7 U.S.C.
2 7283)); or

3 (2) a rate that the Secretary determines will—

4 (A) minimize potential loan forfeitures;

5 (B) minimize the accumulation of stocks of
6 peanuts by the Federal Government;

7 (C) minimize the cost incurred by the Fed-
8 eral Government in storing peanuts; and

9 (D) allow peanuts produced in the United
10 States to be marketed freely and competitively,
11 both domestically and internationally.

12 (e) LOAN DEFICIENCY PAYMENTS.—

13 (1) AVAILABILITY.—The Secretary may make
14 loan deficiency payments available to producers on a
15 farm that, although eligible to obtain a marketing
16 assistance loan for peanuts under subsection (a),
17 agree to forgo obtaining the loan for the peanuts in
18 return for loan deficiency payments under this sub-
19 section.

20 (2) COMPUTATION.—A loan deficiency payment
21 under this subsection shall be computed by multi-
22 plying—

23 (A) the payment rate determined under
24 paragraph (3) for peanuts; by

1 (B) the quantity of the peanuts produced
2 by the producers, excluding any quantity for
3 which the producers obtain a marketing assist-
4 ance loan under subsection (a).

5 (3) PAYMENT RATE.—For purposes of this sub-
6 section, the payment rate shall be the amount by
7 which—

8 (A) the loan rate established under sub-
9 section (b); exceeds

10 (B) the rate at which a loan may be repaid
11 under subsection (d).

12 (4) EFFECTIVE DATE FOR PAYMENT RATE DE-
13 TERMINATION.—

14 (A) IN GENERAL.—The Secretary shall de-
15 termine the amount of the loan deficiency pay-
16 ment to be made under this subsection to the
17 producers on a farm with respect to a quantity
18 of peanuts using the payment rate in effect
19 under paragraph (3) as soon as practicable
20 after the date on which the producers on the
21 farm lose beneficial interest.

22 (B) APPLICABILITY.—This paragraph does
23 not apply for the 2009 through 2012 crop
24 years.

1 (f) COMPLIANCE WITH CONSERVATION AND WET-
2 LANDS REQUIREMENTS.—As a condition of the receipt of
3 a marketing assistance loan under subsection (a), the pro-
4 ducer shall comply with applicable conservation require-
5 ments under subtitle B of title XII of the Food Security
6 Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wet-
7 land protection requirements under subtitle C of title XII
8 of that Act (16 U.S.C. 3821 et seq.) during the term of
9 the loan.

10 (g) REIMBURSABLE AGREEMENTS AND PAYMENT OF
11 ADMINISTRATIVE EXPENSES.—The Secretary may imple-
12 ment any reimbursable agreements or provide for the pay-
13 ment of administrative expenses under this part only in
14 a manner that is consistent with such activities in regard
15 to other commodities.

16 **SEC. 1308. ADJUSTMENTS OF LOANS.**

17 (a) ADJUSTMENT AUTHORITY.—The Secretary may
18 make appropriate adjustments in the loan rates for pea-
19 nuts for differences in grade, type, quality, location, and
20 other factors.

21 (b) MANNER OF ADJUSTMENT.—The adjustments
22 under subsection (a) shall, to the maximum extent prac-
23 ticable, be made in such a manner that the average loan
24 level for peanuts will, on the basis of the anticipated inci-
25 dence of the factors, be equal to the level of support deter-

1 mined in accordance with this subtitle and subtitles B
2 through E.

3 (c) ADJUSTMENT ON COUNTY BASIS.—

4 (1) IN GENERAL.—The Secretary may establish
5 loan rates for a crop of peanuts for producers in in-
6 dividual counties in a manner that results in the
7 lowest loan rate being 95 percent of the national av-
8 erage loan rate, if those loan rates do not result in
9 an increase in outlays.

10 (2) PROHIBITION.—Adjustments under this
11 subsection shall not result in an increase in the na-
12 tional average loan rate for any year.

13 **Subtitle B—Average Crop Revenue**
14 **Program**

15 **SEC. 1401. AVAILABILITY OF AVERAGE CROP REVENUE**
16 **PAYMENTS.**

17 (a) AVAILABILITY AND ELECTION OF ALTERNATIVE
18 APPROACH.—

19 (1) AVAILABILITY OF AVERAGE CROP REVENUE
20 PAYMENTS.—As an alternative to receiving pay-
21 ments or loans under subtitle A with respect to all
22 covered commodities and peanuts on a farm (other
23 than loans for graded and nongraded wool, mohair,
24 and honey), the Secretary shall give the producers
25 on the farm an opportunity to make a 1-time elec-

1 tion to instead receive average crop revenue pay-
2 ments under this section for—

3 (A) the 2010, 2011, and 2012 crop years;

4 (B) the 2011 and 2012 crop years; or

5 (C) the 2012 crop year.

6 (2) ELECTION; TIME FOR ELECTION.—

7 (A) IN GENERAL.—The Secretary shall
8 provide notice to producers regarding the op-
9 portunity to make the election described in
10 paragraph (1).

11 (B) NOTICE REQUIREMENTS.—The notice
12 shall include—

13 (i) notice of the opportunity of the
14 producers on a farm to make the election;
15 and

16 (ii) information regarding the manner
17 in which the election must be made and
18 the time periods and manner in which no-
19 tice of the election must be submitted to
20 the Secretary.

21 (3) ELECTION DEADLINE.—Within the time pe-
22 riod and in the manner prescribed pursuant to para-
23 graph (2), the producers on a farm shall submit to
24 the Secretary notice of the election made under
25 paragraph (1).

1 (4) EFFECT OF FAILURE TO MAKE ELEC-
2 TION.—If the producers on a farm fail to make the
3 election under paragraph (1) or fail to timely notify
4 the Secretary of the election made, as required by
5 paragraph (3), the producers shall be deemed to
6 have made the election to receive payments and
7 loans under subtitle A for all covered commodities
8 and peanuts on the farm for the applicable crop
9 year.

10 (b) PAYMENTS REQUIRED.—

11 (1) IN GENERAL.—In the case of producers on
12 a farm who make the election under subsection (a)
13 to receive average crop revenue payments, for any of
14 the 2010 through 2012 crop years for all covered
15 commodities and peanuts, the Secretary shall make
16 average crop revenue payments available to the pro-
17 ducers on a farm in accordance with this subsection.

18 (2) FIXED PAYMENT COMPONENT.—Subject to
19 paragraph (3), in the case of producers on a farm
20 described in paragraph (1), the Secretary shall make
21 average crop revenue payments available to the pro-
22 ducers on a farm for each crop year in an amount
23 equal to not less than the product obtained by multi-
24 plying—

25 (A) \$15 per acre; and

1 (B) 100 percent of the quantity of base
2 acres on the farm for all covered commodities
3 and peanuts (as adjusted in accordance with
4 the terms and conditions of section 1101 or
5 1302, as determined by the Secretary).

6 (3) REVENUE COMPONENT.—The Secretary
7 shall increase the amount of the average crop rev-
8 enue payments available to the producers on a farm
9 in a State for a crop year if—

10 (A) the actual State revenue for the crop
11 year for the covered commodity or peanuts in
12 the State determined under subsection (c); is
13 less than

14 (B) the average crop revenue program
15 guarantee for the crop year for the covered
16 commodity or peanuts in the State determined
17 under subsection (d).

18 (4) TIME FOR PAYMENTS.—In the case of each
19 of the 2010 through 2012 crop years, the Secretary
20 shall make average crop revenue payments beginning
21 October 1, or as soon as practicable thereafter, after
22 the end of the applicable marketing year for the cov-
23 ered commodity or peanuts.

24 (c) ACTUAL STATE REVENUE.—

1 (1) IN GENERAL.—For purposes of subsection
2 (b)(3)(A), the amount of the actual State revenue
3 for a crop year of a covered commodity shall equal
4 the product obtained by multiplying—

5 (A) the actual State yield for each planted
6 acre for the crop year for the covered com-
7 modity or peanuts determined under paragraph
8 (2); and

9 (B) the average crop revenue program har-
10 vest price for the crop year for the covered com-
11 modity or peanuts determined under paragraph
12 (3).

13 (2) ACTUAL STATE YIELD.—For purposes of
14 paragraph (1)(A) and subsection (d)(1)(A), the ac-
15 tual State yield for each planted acre for a crop year
16 for a covered commodity or peanuts in a State shall
17 equal (as determined by the Secretary)—

18 (A) the quantity of the covered commodity
19 or peanuts that is produced in the State during
20 the crop year; divided by

21 (B) the number of acres that are planted
22 to the covered commodity or peanuts in the
23 State during the crop year.

24 (3) AVERAGE CROP REVENUE PROGRAM HAR-
25 VEST PRICE.—

1 (A) IN GENERAL.—For purposes of para-
2 graph (1)(B), subject to subparagraph (B), the
3 average crop revenue program harvest price for
4 a crop year for a covered commodity or peanuts
5 in a State shall equal the harvest price that is
6 used to calculate revenue under revenue cov-
7 erage plans that are offered for the crop year
8 for the covered commodity or peanuts in the
9 State under the Federal Crop Insurance Act (7
10 U.S.C. 1501 et seq.).

11 (B) ASSIGNED PRICE.—If the Secretary
12 cannot establish the harvest price for a crop
13 year for a covered commodity or peanuts in a
14 State in accordance with subparagraph (A), the
15 Secretary shall assign a price for the covered
16 commodity or peanuts in the State on the basis
17 of comparable price data.

18 (d) AVERAGE CROP REVENUE PROGRAM GUAR-
19 ANTEE.—

20 (1) IN GENERAL.—The average crop revenue
21 program guarantee for a crop year for a covered
22 commodity or peanuts in a State shall equal 90 per-
23 cent of the product obtained by multiplying—

24 (A) the expected State yield for each plant-
25 ed acre for the crop year for the covered com-

1 commodity or peanuts in a State determined under
2 paragraph (2); and

3 (B) the average crop revenue program pre-
4 planting price for the crop year for the covered
5 commodity or peanuts determined under para-
6 graph (3).

7 (2) EXPECTED STATE YIELD.—

8 (A) IN GENERAL.—For purposes of para-
9 graph (1)(A), subject to subparagraph (B), the
10 expected State yield for each planted acre for a
11 crop year for a covered commodity or peanuts
12 in a State shall equal the projected yield for the
13 crop year for the covered commodity or peanuts
14 in the State, based on a linear regression trend
15 of the yield per acre planted to the covered
16 commodity or peanuts in the State during the
17 1980 through 2006 period using National Agri-
18 cultural Statistics Service data.

19 (B) ASSIGNED YIELD.—If the Secretary
20 cannot establish the expected State yield for
21 each planted acre for a crop year for a covered
22 commodity or peanuts in a State in accordance
23 with subparagraph (A) or if the linear regres-
24 sion trend of the yield per acre planted to the
25 covered commodity or peanuts in the State (as

1 determined under subparagraph (A)) is nega-
2 tive, the Secretary shall assign an expected
3 State yield for each planted acre for the crop
4 year for the covered commodity or peanuts in
5 the State on the basis of expected State yields
6 for planted acres for the crop year for the cov-
7 ered commodity or peanuts in similar States.

8 (3) AVERAGE CROP REVENUE PROGRAM PRE-
9 PLANTING PRICE.—

10 (A) IN GENERAL.—For purposes of para-
11 graph (1)(B), subject to subparagraphs (B) and
12 (C), the average crop revenue program pre-
13 planting price for a crop year for a covered
14 commodity or peanuts in a State shall equal the
15 average price that is used to calculate revenue
16 under revenue coverage plans that are offered
17 for the covered commodity in the State under
18 the Federal Crop Insurance Act (7 U.S.C. 1501
19 et seq.) for the crop year and the preceding 2
20 crop years.

21 (B) ASSIGNED PRICE.—If the Secretary
22 cannot establish the pre-planting price for a
23 crop year for a covered commodity or peanuts
24 in a State in accordance with subparagraph
25 (A), the Secretary shall assign a price for the

1 covered commodity or peanuts in the State on
2 the basis of comparable price data.

3 (C) MINIMUM AND MAXIMUM PRICE.—In
4 the case of each of the 2011 through 2012 crop
5 years, the average crop revenue program pre-
6 planting price for a crop year for a covered
7 commodity or peanuts under subparagraph (A)
8 shall not decrease or increase more than 15
9 percent from the pre-planting price for the pre-
10 ceding year.

11 (e) PAYMENT AMOUNT.—If average crop revenue
12 payments are required to be paid for any of the 2010
13 through 2012 crop years of a covered commodity or pea-
14 nuts under subsection (b)(3), in addition to the amount
15 payable under subsection (b)(2), the amount of the aver-
16 age crop revenue payment to be paid to the producers on
17 the farm for the crop year under this section shall be in-
18 creased by an amount equal to the product obtained by
19 multiplying—

20 (1) the difference between—

21 (A) the average crop revenue program
22 guarantee for the crop year for the covered
23 commodity or peanuts in the State determined
24 under subsection (d); and

1 (B) the actual State revenue from the crop
2 year for the covered commodity or peanuts in
3 the State determined under subsection (c);

4 (2) 85 percent of the quantity of base acres on
5 the farm for the covered commodity or peanuts (as
6 adjusted in accordance with the terms and condi-
7 tions of section 1101 or 1302, as determined by the
8 Secretary);

9 (3) the quotient obtained by dividing—

10 (A)(i) the yield used to calculate crop in-
11 surance coverage for the commodity or peanuts
12 on the farm under the Federal Crop Insurance
13 Act (7 U.S.C. 1501 et seq.) (commonly referred
14 to as “actual production history”); or

15 (ii) if actual production history for the
16 commodity or peanuts on the farm is not avail-
17 able, a comparable yield as determined by the
18 Secretary; by

19 (B) the expected State yield for the crop
20 year, as determined under subsection (d)(2);
21 and

22 (4) 90 percent.

23 (f) RECOURSE LOANS.—For each of the 2010
24 through 2012 crops of a covered commodity or peanuts,
25 the Secretary shall make available to producers on a farm

1 who elect to receive payments under this section recourse
2 loans, as determined by the Secretary, on any production
3 of the covered commodity.

4 **SEC. 1402. PRODUCER AGREEMENT AS CONDITION OF AV-**
5 **ERAGE CROP REVENUE PAYMENTS.**

6 (a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

7 (1) REQUIREMENTS.—Before the producers on
8 a farm may receive average crop revenue payments
9 with respect to the farm, the producers shall agree,
10 and in the case of subparagraph (C), the Farm
11 Service Agency shall certify, during the crop year for
12 which the payments are made and in exchange for
13 the payments—

14 (A) to comply with applicable conservation
15 requirements under subtitle B of title XII of
16 the Food Security Act of 1985 (16 U.S.C. 3811
17 et seq.);

18 (B) to comply with applicable wetland pro-
19 tection requirements under subtitle C of title
20 XII of that Act (16 U.S.C. 3821 et seq.); and

21 (C) that the individuals or entities receiv-
22 ing payments are producers;

23 (D) to use the land on the farm, in a
24 quantity equal to the attributable base acres for
25 the farm and any base acres for peanuts for the

1 farm under part III of subtitle A, for an agri-
2 cultural or conserving use, and not for a non-
3 agricultural commercial, industrial, or residen-
4 tial use (including land subdivided and devel-
5 oped into residential units or other nonfarming
6 uses, or that is otherwise no longer intended to
7 be used in conjunction with a farming oper-
8 ation), as determined by the Secretary; and

9 (E) to effectively control noxious weeds
10 and otherwise maintain the land in accordance
11 with sound agricultural practices, as determined
12 by the Secretary, if the agricultural or con-
13 serving use involves the noncultivation of any
14 portion of the land referred to in subparagraph
15 (D).

16 (2) COMPLIANCE.—The Secretary may issue
17 such rules as the Secretary considers necessary to
18 ensure producer compliance with the requirements of
19 paragraph (1).

20 (3) MODIFICATION.—At the request of the
21 transferee or owner, the Secretary may modify the
22 requirements of this subsection if the modifications
23 are consistent with the objectives of this subsection,
24 as determined by the Secretary.

1 (b) TRANSFER OR CHANGE OF INTEREST IN
2 FARM.—

3 (1) TERMINATION.—

4 (A) IN GENERAL.—Except as provided in
5 paragraph (2), a transfer of (or change in) the
6 interest of the producers on a farm for which
7 average crop revenue payments are made shall
8 result in the termination of the payments, un-
9 less the transferee or owner of the farm agrees
10 to assume all obligations under subsection (a).

11 (B) EFFECTIVE DATE.—The termination
12 shall take effect on the date determined by the
13 Secretary.

14 (2) EXCEPTION.—If a producer entitled to an
15 average crop revenue payment dies, becomes incom-
16 petent, or is otherwise unable to receive the pay-
17 ment, the Secretary shall make the payment, in ac-
18 cordance with rules issued by the Secretary.

19 (c) ACREAGE REPORTS.—

20 (1) IN GENERAL.—As a condition on the receipt
21 of any benefits under this subtitle, the Secretary
22 shall require producers on a farm to submit to the
23 Secretary annual acreage reports with respect to all
24 cropland on the farm.

1 (2) PENALTIES.—No penalty with respect to
2 benefits under subtitle shall be assessed against the
3 producers on a farm for an inaccurate acreage re-
4 port unless the producers on the farm knowingly and
5 willfully falsified the acreage report.

6 (d) TENANTS AND SHARECROPPERS.—In carrying
7 out this subtitle, the Secretary shall provide adequate safe-
8 guards to protect the interests of tenants and share-
9 croppers.

10 (e) SHARING OF PAYMENTS.—The Secretary shall
11 provide for the sharing of average crop revenue payments
12 among the producers on a farm on a fair and equitable
13 basis.

14 (f) AUDIT AND REPORT.—Each year, to ensure, to
15 the maximum extent practicable, that payments are re-
16 ceived only by producers, the Secretary shall—

17 (1) conduct an audit of average crop revenue
18 payments; and

19 (2) submit to Congress a report that describes
20 the results of that audit.

21 **SEC. 1403. PLANTING FLEXIBILITY.**

22 (a) PERMITTED CROPS.—Subject to subsection (b),
23 any commodity or crop may be planted on base acres on
24 a farm for which the producers on a farm elect to receive

1 average crop revenue payments (referred to in this section
2 as “base acres”).

3 (b) LIMITATIONS REGARDING CERTAIN COMMOD-
4 ITIES.—

5 (1) GENERAL LIMITATION.—The planting of an
6 agricultural commodity specified in paragraph (3)
7 shall be prohibited on base acres unless the com-
8 modity, if planted, is destroyed before harvest.

9 (2) TREATMENT OF TREES AND OTHER
10 PERENNIALS.—The planting of an agricultural com-
11 modity specified in paragraph (3) that is produced
12 on a tree or other perennial plant shall be prohibited
13 on base acres.

14 (3) COVERED AGRICULTURAL COMMODITIES.—
15 Paragraphs (1) and (2) apply to the following agri-
16 cultural commodities:

17 (A) Fruits.

18 (B) Vegetables (other than mung beans
19 and pulse crops).

20 (C) Wild rice.

21 (c) EXCEPTIONS.—Paragraphs (1) and (2) of sub-
22 section (b) shall not limit the planting of an agricultural
23 commodity specified in paragraph (3) of that subsection—

24 (1) in any region in which there is a history of
25 double-cropping of covered commodities with agricul-

1 tural commodities specified in subsection (b)(3), as
2 determined by the Secretary, in which case the dou-
3 ble-cropping shall be permitted;

4 (2) on a farm that the Secretary determines
5 has a history of planting agricultural commodities
6 specified in subsection (b)(3) on base acres, except
7 that average crop revenue payments shall be reduced
8 by an acre for each acre planted to such an agricul-
9 tural commodity; or

10 (3) by the producers on a farm that the Sec-
11 retary determines has an established planting his-
12 tory of a specific agricultural commodity specified in
13 subsection (b)(3), except that—

14 (A) the quantity planted may not exceed
15 the average annual planting history of such ag-
16 ricultural commodity by the producers on the
17 farm in the 1991 through 1995 or 1998
18 through 2001 crop years (excluding any crop
19 year in which no plantings were made), as de-
20 termined by the Secretary; and

21 (B) average crop revenue payments shall
22 be reduced by an acre for each acre planted to
23 such agricultural commodity.

24 (d) PLANTING TRANSFERABILITY PILOT PROJECT.—

25 Producers on a farm that elect to receive average crop rev-

1 enue payments shall be eligible to participate in the pilot
2 program established under section 1106(d) under the
3 same terms and conditions as producers that receive direct
4 payments and counter-cyclical payments.

5 (e) PRODUCTION OF FRUITS OR VEGETABLES FOR
6 PROCESSING.—

7 (1) IN GENERAL.—Subject to paragraphs (2)
8 through (4), effective beginning with the 2010 crop
9 years, producers on a farm that elect to receive aver-
10 age crop revenue payments, with the consent of the
11 owner of and any other producers on the farm, may
12 reduce the base acres for a covered commodity for
13 the farm if the reduced acres are used for the plant-
14 ing and production of fruits or vegetables for proc-
15 essing.

16 (2) REVERSION TO BASE ACRES FOR COVERED
17 COMMODITY.—Any reduced acres on a farm devoted
18 to the planting and production of fruits or vegeta-
19 bles during a crop year under paragraph (1) shall be
20 included in base acres for the covered commodity for
21 the subsequent crop year, unless the producers on
22 the farm make the election described in paragraph
23 (1) for the subsequent crop year.

24 (3) RECALCULATION OF BASE ACRES.—

1 (A) IN GENERAL.—Subject to subpara-
2 graph (B), if the Secretary recalculates base
3 acres for a farm, the planting and production of
4 fruits or vegetables for processing under para-
5 graph (1) shall be considered to be the same as
6 the planting, prevented planting, or production
7 of a covered commodity.

8 (B) AUTHORITY.—Nothing in this sub-
9 section provides authority for the Secretary to
10 recalculate base acres for a farm covered by
11 this subsection other than as provided in this
12 subsection.

13 (4) LIMITATIONS.—

14 (A) IN GENERAL.—This subsection applies
15 in land located in each of the States of Illinois,
16 Indiana, Iowa, Michigan, Minnesota, Ohio, and
17 Wisconsin.

18 (B) ACREAGE LIMIT.—The total number of
19 base acres that may be reduced in any State
20 under this subsection shall not exceed 10,000.

21 **Subtitle C—Sugar**

22 **SEC. 1501. SUGAR PROGRAM.**

23 Section 156 of the Federal Agriculture Improvement
24 and Reform Act of 1996 (7 U.S.C. 7272) is amended to
25 read as follows:

1 **“SEC. 156. SUGAR PROGRAM.**

2 “(a) SUGARCANE.—The Secretary shall make loans
3 available to processors of domestically grown sugarcane at
4 a rate equal to—

5 “(1) 18.00 cents per pound for raw cane sugar
6 for the 2008 crop year;

7 “(2) 18.25 cents per pound for raw cane sugar
8 for the 2009 crop year;

9 “(3) 18.50 cents per pound for raw cane sugar
10 for the 2010 crop year;

11 “(4) 18.75 cents per pound for raw cane sugar
12 for the 2011 crop year; and

13 “(5) 19.00 cents per pound for raw cane sugar
14 for the 2012 crop year.

15 “(b) SUGAR BEETS.—The Secretary shall make loans
16 available to processors of domestically grown sugar beets
17 at a rate per pound for refined beet sugar that is equal
18 to 128.5 percent of the loan rate per pound of raw cane
19 sugar for the applicable crop year under subsection (a).

20 “(c) TERM OF LOANS.—

21 “(1) IN GENERAL.—A loan under this section
22 during any fiscal year shall be made available not
23 earlier than the beginning of the fiscal year and
24 shall mature at the earlier of—

1 “(A) the end of the 9-month period begin-
2 ning on the first day of the first month after
3 the month in which the loan is made; or

4 “(B) the end of the fiscal year in which the
5 loan is made.

6 “(2) SUPPLEMENTAL LOANS.—In the case of a
7 loan made under this section in the last 3 months
8 of a fiscal year, the processor may repledge the
9 sugar as collateral for a second loan in the subse-
10 quent fiscal year, except that the second loan shall—

11 “(A) be made at the loan rate in effect at
12 the time the second loan is made; and

13 “(B) mature in 9 months less the quantity
14 of time that the first loan was in effect.

15 “(d) LOAN TYPE; PROCESSOR ASSURANCES.—

16 “(1) NONRECOURSE LOANS.—The Secretary
17 shall carry out this section through the use of non-
18 recourse loans.

19 “(2) PROCESSOR ASSURANCES.—

20 “(A) IN GENERAL.—The Secretary shall
21 obtain from each processor that receives a loan
22 under this section such assurances as the Sec-
23 retary considers adequate to ensure that the
24 processor will provide payments to producers
25 that are proportional to the value of the loan

1 received by the processor for the sugar beets
2 and sugarcane delivered by producers to the
3 processor.

4 “(B) MINIMUM PAYMENTS.—

5 “(i) IN GENERAL.—Subject to clause
6 (ii), the Secretary may establish appro-
7 priate minimum payments for purposes of
8 this paragraph.

9 “(ii) LIMITATION.—In the case of
10 sugar beets, the minimum payment estab-
11 lished under clause (i) shall not exceed the
12 rate of payment provided for under the ap-
13 plicable contract between a sugar beet pro-
14 ducer and a sugar beet processor.

15 “(3) ADMINISTRATION.—The Secretary may
16 not impose or enforce any prenotification require-
17 ment, or similar administrative requirement not oth-
18 erwise in effect on the date of enactment of the
19 Food and Energy Security Act of 2007, that has the
20 effect of preventing a processor from electing to for-
21 feit the loan collateral (of an acceptable grade and
22 quality) on the maturity of the loan.

23 “(e) LOANS FOR IN-PROCESS SUGAR.—

24 “(1) DEFINITION OF IN-PROCESS SUGARS AND
25 SYRUPS.—In this subsection, the term ‘in-process

1 sugars and syrups' does not include raw sugar, liq-
2 uid sugar, invert sugar, invert syrup, or other fin-
3 ished product that is otherwise eligible for a loan
4 under subsection (a) or (b).

5 “(2) AVAILABILITY.—The Secretary shall make
6 nonrecourse loans available to processors of a crop
7 of domestically grown sugarcane and sugar beets for
8 in-process sugars and syrups derived from the crop.

9 “(3) LOAN RATE.—The loan rate shall be equal
10 to 80 percent of the loan rate applicable to raw cane
11 sugar or refined beet sugar, as determined by the
12 Secretary on the basis of the source material for the
13 in-process sugars and syrups.

14 “(4) FURTHER PROCESSING ON FORFEITURE.—

15 “(A) IN GENERAL.—As a condition of the
16 forfeiture of in-process sugars and syrups serv-
17 ing as collateral for a loan under paragraph (2),
18 the processor shall, within such reasonable time
19 period as the Secretary may prescribe and at no
20 cost to the Commodity Credit Corporation, con-
21 vert the in-process sugars and syrups into raw
22 cane sugar or refined beet sugar of acceptable
23 grade and quality for sugars eligible for loans
24 under subsection (a) or (b).

1 “(B) TRANSFER TO CORPORATION.—Once
2 the in-process sugars and syrups are fully proc-
3 essed into raw cane sugar or refined beet sugar,
4 the processor shall transfer the sugar to the
5 Commodity Credit Corporation.

6 “(C) PAYMENT TO PROCESSOR.—On trans-
7 fer of the sugar, the Secretary shall make a
8 payment to the processor in an amount equal to
9 the amount obtained by multiplying—

10 “(i) the difference between—

11 “(I) the loan rate for raw cane
12 sugar or refined beet sugar, as appro-
13 priate; and

14 “(II) the loan rate the processor
15 received under paragraph (3); by

16 “(ii) the quantity of sugar transferred
17 to the Secretary.

18 “(5) LOAN CONVERSION.—If the processor does
19 not forfeit the collateral as described in paragraph
20 (4), but instead further processes the in-process sug-
21 ars and syrups into raw cane sugar or refined beet
22 sugar and repays the loan on the in-process sugars
23 and syrups, the processor may obtain a loan under
24 subsection (a) or (b) for the raw cane sugar or re-
25 fined beet sugar, as appropriate.

1 “(6) TERM OF LOAN.—The term of a loan
2 made under this subsection for a quantity of in-proc-
3 ess sugars and syrups, when combined with the term
4 of a loan made with respect to the raw cane sugar
5 or refined beet sugar derived from the in-process
6 sugars and syrups, may not exceed 9 months, con-
7 sistent with subsection (d).

8 “(f) FEEDSTOCK FLEXIBILITY PROGRAM FOR BIO-
9 ENERGY PRODUCERS.—

10 “(1) DEFINITIONS.—In this subsection:

11 “(A) BIOENERGY.—The term ‘bioenergy’
12 means fuel grade ethanol and other biofuel.

13 “(B) BIOENERGY PRODUCER.—The term
14 ‘bioenergy producer’ means a producer of bio-
15 energy that uses an eligible commodity to
16 produce bioenergy under this subsection.

17 “(C) ELIGIBLE COMMODITY.—The term
18 ‘eligible commodity’ means a form of raw or re-
19 fined sugar or in-process sugar that is eligi-
20 ble—

21 “(i) to be marketed in the United
22 States for human consumption; or

23 “(ii) to be used for the extraction of
24 sugar for human consumption.

1 “(D) ELIGIBLE ENTITY.—The term ‘eligi-
2 ble entity’ means an entity located in the
3 United States that markets an eligible com-
4 modity in the United States.

5 “(2) FEEDSTOCK FLEXIBILITY PROGRAM.—

6 “(A) PURCHASES AND SALES.—For each
7 of fiscal years 2008 through 2012, the Sec-
8 retary shall purchase eligible commodities from
9 eligible entities and sell such commodities to
10 bioenergy producers for the purpose of pro-
11 ducing bioenergy in a manner that ensures that
12 this section is operated at no cost to the Fed-
13 eral Government and avoids forfeitures to the
14 Commodity Credit Corporation.

15 “(B) COMPETITIVE PROCEDURES.—In car-
16 rying out the purchases and sales required
17 under subparagraph (A), the Secretary shall, to
18 the maximum extent practicable, use competi-
19 tive procedures, including the receiving, offer-
20 ing, and accepting of bids, when entering into
21 contracts with eligible entities and bioenergy
22 producers, provided that the procedures are
23 consistent with the purposes of subparagraph
24 (A).

1 “(C) LIMITATION.—The purchase and sale
2 of eligible commodities under subparagraph (A)
3 shall only be made for a fiscal year for which
4 the purchases and sales are necessary to ensure
5 that the program under this section is operated
6 at no cost to the Federal Government by avoid-
7 ing forfeitures to the Commodity Credit Cor-
8 poration.

9 “(3) NOTICE.—

10 “(A) IN GENERAL.—As soon as practicable
11 after the date of enactment of the Food and
12 Energy Security Act of 2007, and each Sep-
13 tember 1 thereafter through fiscal year 2012,
14 the Secretary shall provide notice to eligible en-
15 tities and bioenergy producers of the quantity
16 of eligible commodities that shall be made avail-
17 able for purchase and sale for the subsequent
18 fiscal year under this subsection.

19 “(B) REESTIMATES.—Not later than the
20 first day of each of the second through fourth
21 quarters of each of fiscal years 2008 through
22 2012, the Secretary shall reestimate the quan-
23 tity of eligible commodities determined under
24 subparagraph (A), and provide notice and make
25 purchases and sales based on the reestimates.

1 “(4) COMMODITY CREDIT CORPORATION INVEN-
2 TORY.—To the extent that an eligible commodity is
3 owned and held in inventory by the Commodity
4 Credit Corporation (accumulated pursuant to the
5 program under this section), the Secretary shall sell
6 the eligible commodity to bioenergy producers under
7 this subsection.

8 “(5) TRANSFER RULE; STORAGE FEES.—

9 “(A) GENERAL TRANSFER RULE.—Except
10 as provided in subparagraph (C), the Secretary
11 shall ensure that bioenergy producers that pur-
12 chase eligible commodities pursuant to this sub-
13 section take possession of the eligible commod-
14 ities not later than 30 calendar days after the
15 date of the purchase from the Commodity Cred-
16 it Corporation.

17 “(B) PAYMENT OF STORAGE FEES PRO-
18 HIBITED.—

19 “(i) IN GENERAL.—The Secretary
20 shall, to the maximum extent practicable,
21 carry out this subsection in a manner that
22 ensures no storage fees are paid by the
23 Commodity Credit Corporation in the ad-
24 ministration of this subsection.

1 “(6) RELATION TO OTHER LAWS.—If sugar
2 that is subject to a marketing allotment under part
3 VII of subtitle B of title III of the Agricultural Ad-
4 justment Act of 1938 (7 U.S.C. 1359aa et seq.) is
5 the subject of a payment under this subsection, the
6 sugar shall be considered marketed and shall count
7 against the allocation of a processor of an allotment
8 under that part, as applicable.

9 “(7) FUNDING.—The Secretary shall use the
10 funds, facilities, and authorities of the Commodity
11 Credit Corporation, including the use of such sums
12 as are necessary, to carry out this subsection.

13 “(g) AVOIDING FORFEITURES; CORPORATION INVEN-
14 TORY DISPOSITION.—

15 “(1) IN GENERAL.—Subject to subsection
16 (d)(3), to the maximum extent practicable, the Sec-
17 retary shall operate the program established under
18 this section at no cost to the Federal Government by
19 avoiding the forfeiture of sugar to the Commodity
20 Credit Corporation.

21 “(2) INVENTORY DISPOSITION.—

22 “(A) IN GENERAL.—To carry out para-
23 graph (1), the Commodity Credit Corporation
24 may accept bids to obtain raw cane sugar or re-
25 fined beet sugar in the inventory of the Com-

1 modity Credit Corporation from (or otherwise
2 make available such commodities, on appro-
3 priate terms and conditions, to) processors of
4 sugarcane and processors of sugar beets (acting
5 in conjunction with the producers of the sugar-
6 cane or sugar beets processed by the proc-
7 essors) in return for the reduction of production
8 of raw cane sugar or refined beet sugar, as ap-
9 propriate.

10 “(B) BIOENERGY FEEDSTOCK.—Sugar
11 beets or sugarcane planted on acreage diverted
12 from production to achieve any reduction re-
13 quired under subparagraph (A) may not be
14 used for any commercial purpose other than as
15 a bioenergy feedstock.

16 “(C) ADDITIONAL AUTHORITY.—The au-
17 thority provided under this paragraph is in ad-
18 dition to any authority of the Commodity Credit
19 Corporation under any other law.

20 “(h) INFORMATION REPORTING.—

21 “(1) DUTY OF PROCESSORS AND REFINERS TO
22 REPORT.—A sugarcane processor, cane sugar re-
23 finer, and sugar beet processor shall furnish the Sec-
24 retary, on a monthly basis, such information as the
25 Secretary may require to administer sugar pro-

1 grams, including the quantity of purchases of sugar-
2 cane, sugar beets, and sugar, and production, impor-
3 tation, distribution, and stock levels of sugar.

4 “(2) DUTY OF PRODUCERS TO REPORT.—

5 “(A) PROPORTIONATE SHARE STATES.—As
6 a condition of a loan made to a processor for
7 the benefit of a producer, the Secretary shall
8 require each producer of sugarcane located in a
9 State (other than the Commonwealth of Puerto
10 Rico) in which there are in excess of 250 pro-
11 ducers of sugarcane to report, in the manner
12 prescribed by the Secretary, the sugarcane
13 yields and acres planted to sugarcane of the
14 producer.

15 “(B) OTHER STATES.—The Secretary may
16 require each producer of sugarcane or sugar
17 beets not covered by subparagraph (A) to re-
18 port, in a manner prescribed by the Secretary,
19 the yields of, and acres planted to, sugarcane or
20 sugar beets, respectively, of the producer.

21 “(3) DUTY OF IMPORTERS TO REPORT.—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B), the Secretary shall require
24 an importer of sugars, syrups, or molasses to be
25 used for human consumption or to be used for

1 the extraction of sugar for human consumption
2 to report, in the manner prescribed by the Sec-
3 retary, the quantities of the products imported
4 by the importer and the sugar content or equiv-
5 alent of the products.

6 “(B) TARIFF-RATE QUOTAS.—Subpara-
7 graph (A) shall not apply to sugars, syrups, or
8 molasses that are within the quantities of tariff-
9 rate quotas that are subject to the lower rate
10 of duties.

11 “(4) INFORMATION ON MEXICO.—

12 “(A) COLLECTION.—The Secretary shall
13 collect—

14 “(i) information of the production,
15 consumption, stocks, and trade of sugar in
16 Mexico, including United States exports of
17 sugar to Mexico; and

18 “(ii) publicly-available information on
19 Mexican production, consumption, and
20 trade of high fructose corn syrups to Mex-
21 ico.

22 “(B) PUBLICATION.—The data collected
23 under subparagraph (A) shall be published in
24 each edition of the World Agricultural Supply
25 and Demand Estimates.

1 “(5) PENALTY.—Any person willfully failing or
2 refusing to furnish the information required under
3 paragraph (1), (2), or (3), or furnishing willfully any
4 false information, shall be subject to a civil penalty
5 of not more than \$10,000 for each such violation.

6 “(6) MONTHLY REPORTS.—Taking into consid-
7 eration the information received under this sub-
8 section, the Secretary shall publish on a monthly
9 basis composite data on production, imports, dis-
10 tribution, and stock levels of sugar.

11 “(i) SUBSTITUTION OF REFINED SUGAR.—For pur-
12 poses of Additional U.S. Note 6 to chapter 17 of the Har-
13 monized Tariff Schedule of the United States and the re-
14 export programs and polyhydric alcohol program adminis-
15 tered by the Secretary, all refined sugars (whether derived
16 from sugar beets or sugarcane) produced by cane sugar
17 refineries and beet sugar processors shall be fully substi-
18 tutable for the export of sugar and sugar-containing prod-
19 ucts under those programs.

20 “(j) EFFECTIVE PERIOD.—

21 “(1) IN GENERAL.—This section shall be effec-
22 tive only for the 2008 through 2012 crops of sugar
23 beets and sugarcane.

24 “(2) TRANSITION.—The Secretary shall make
25 loans for raw cane sugar and refined beet sugar

1 available for the 2007 crop year on the terms and
2 conditions provided in this section as in effect on the
3 day before the date of enactment of the Food and
4 Energy Security Act of 2007.”.

5 **SEC. 1502. STORAGE FACILITY LOANS.**

6 Section 1402(c) of the Farm Security and Rural In-
7 vestment Act of 2002 (7 U.S.C. 7971(c)) is amended—

8 (1) in paragraph (1), by striking “and” at the
9 end;

10 (2) by redesignating paragraph (2) as para-
11 graph (3);

12 (3) by inserting after paragraph (1) the fol-
13 lowing:

14 “(2) not include any penalty for prepayment”;
15 and

16 (4) in paragraph (3) (as redesignated by para-
17 graph (2)), by inserting “other” after “on such”.

18 **SEC. 1503. COMMODITY CREDIT CORPORATION STORAGE**
19 **PAYMENTS.**

20 Subtitle E of the Federal Agriculture Improvement
21 and Reform Act of 1996 (7 U.S.C. 7281 et seq.) is amend-
22 ed by adding at the end the following:

1 **“SEC. 167. COMMODITY CREDIT CORPORATION STORAGE**
2 **PAYMENTS.**

3 “(a) INITIAL CROP YEARS.—Notwithstanding any
4 other provision of law, for each of the 2008 through 2011
5 crop years, the Commodity Credit Corporation shall estab-
6 lish rates for the storage of forfeited sugar in an amount
7 that is not less than—

8 “(1) in the case of refined sugar, 15 cents per
9 hundredweight of refined sugar per month; and

10 “(2) in the case of raw cane sugar, 10 cents per
11 hundredweight of raw cane sugar per month.

12 “(b) SUBSEQUENT CROP YEARS.—For each of the
13 2012 and subsequent crop years, the Commodity Credit
14 Corporation shall establish rates for the storage of for-
15 feited sugar in the same manner as was used on the day
16 before the date of enactment of this section.”.

17 **SEC. 1504. FLEXIBLE MARKETING ALLOTMENTS FOR**
18 **SUGAR.**

19 (a) DEFINITIONS.—Section 359a of the Agricultural
20 Adjustment Act of 1938 (7 U.S.C. 1359aa) is amended—

21 (1) by redesignating paragraphs (2) through
22 (4) as paragraphs (3) through (5), respectively; and

23 (2) by inserting after paragraph (1) the fol-
24 lowing:

25 “(2) MARKET.—

1 “(A) IN GENERAL.—The term ‘market’
2 means to sell or otherwise dispose of in com-
3 merce in the United States.

4 “(B) INCLUSIONS.—The term ‘market’ in-
5 cludes—

6 “(i) the forfeiture of sugar under the
7 loan program for sugar established under
8 section 156 of the Federal Agriculture Im-
9 provement and Reform Act of 1996 (7
10 U.S.C. 7272); and

11 “(ii) with respect to any integrated
12 processor and refiner, the movement of
13 raw cane sugar into the refining process.

14 “(C) MARKETING YEAR.—Forfeited sugar
15 described in subparagraph (B)(i) shall be con-
16 sidered to have been marketed during the crop
17 year for which a loan is made under the loan
18 program described in that subparagraph.”.

19 (b) FLEXIBLE MARKETING ALLOTMENTS FOR
20 SUGAR.—Section 359b of the Agricultural Adjustment Act
21 of 1938 (7 U.S.C. 1359bb) is amended to read as follows:

22 **“SEC. 359. FLEXIBLE MARKETING ALLOTMENTS FOR**
23 **SUGAR.**

24 “(a) IN GENERAL.—

1 “(1) IN GENERAL.—By the beginning of each
2 crop year, the Secretary shall establish for that crop
3 year appropriate allotments under section 359c for
4 the marketing by processors of sugar processed from
5 sugar cane, sugar beets, or in-process sugar (wheth-
6 er produced domestically or imported) at a level that
7 is—

8 “(A) sufficient to maintain raw and refined
9 sugar prices at a level that will result in no for-
10 feitures of sugar to the Commodity Credit Cor-
11 poration under the loan program for sugar es-
12 tablished under section 156 of the Federal Ag-
13 riculture Improvement and Reform Act of 1996
14 (7 U.S.C. 7272); but

15 “(B) not less than 85 percent of the esti-
16 mated quantity of sugar consumption for do-
17 mestic food use for the crop year.

18 “(2) PRODUCTS.—The Secretary may include
19 sugar products, the majority content of which is su-
20 crose for human consumption, derived from sugar-
21 cane, sugar beets, molasses, or sugar in the allot-
22 ments under paragraph (1) if the Secretary deter-
23 mines it to be appropriate for purposes of this part.

24 “(b) COVERAGE OF ALLOTMENTS.—

1 “(1) IN GENERAL.—Marketing allotments
2 under this part shall apply to the marketing by proc-
3 essors of sugar intended for domestic human food
4 use that has been processed from sugar cane, sugar
5 beets, or in-process sugar, whether produced domes-
6 tically or imported.

7 “(2) EXCEPTIONS.—Marketing allotments
8 under this part shall not apply to sugar sold—

9 “(A) to facilitate the exportation of the
10 sugar to a foreign country;

11 “(B) to enable another processor to fulfill
12 an allocation established for that processor; or

13 “(C) for uses other than domestic human
14 food use.

15 “(3) REQUIREMENT.—The sale of sugar de-
16 scribed in paragraph (2)(B) shall be—

17 “(A) made prior to May 1; and

18 “(B) reported to the Secretary.

19 “(c) PROHIBITIONS.—

20 “(1) IN GENERAL.—During all or part of any
21 crop year for which marketing allotments have been
22 established, no processor of sugar beets or sugarcane
23 shall market for domestic human food use a quantity
24 of sugar in excess of the allocation established for
25 the processor, except—

1 “(A) to enable another processor to fulfill
2 an allocation established for that other proc-
3 essor; or

4 “(B) to facilitate the exportation of the
5 sugar.

6 “(2) CIVIL PENALTY.—Any processor who
7 knowingly violates paragraph (1) shall be liable to
8 the Commodity Credit Corporation for a civil penalty
9 in an amount equal to 3 times the United States
10 market value, at the time of the commission of the
11 violation, of that quantity of sugar involved in the
12 violation.”.

13 (c) ESTABLISHMENT OF FLEXIBLE MARKETING AL-
14 LOTMENTS.—Section 359c of the Agricultural Adjustment
15 Act of 1938 (7 U.S.C. 1359cc) is amended—

16 (1) by striking subsection (b) and inserting the
17 following:

18 “(b) OVERALL ALLOTMENT QUANTITY.—

19 “(1) IN GENERAL.—The Secretary shall estab-
20 lish the overall quantity of sugar to be allotted for
21 the crop year (referred to in this part as the ‘overall
22 allotment quantity’) at a level that is—

23 “(A) sufficient to maintain raw and refined
24 sugar prices above the level that will result in

1 no forfeiture of sugar to the Commodity Credit
2 Corporation; but

3 “(B) not less than a quantity equal to 85
4 percent of the estimated sugar consumption for
5 domestic food use for the crop year.

6 “(2) ADJUSTMENT.—Subject to paragraph (1),
7 the Secretary shall adjust the overall allotment
8 quantity to maintain—

9 “(A) raw and refined sugar prices above
10 forfeiture levels to avoid the forfeiture of sugar
11 to the Commodity Credit Corporation; and

12 “(B) adequate supplies of raw and refined
13 sugar in the domestic market.”; and

14 (2) by striking subsection (h).

15 (d) ALLOCATION OF MARKETING ALLOTMENTS.—
16 Section 359d(b) of the Agricultural Adjustment Act of
17 1938 (7 U.S.C. 1359dd(b)) is amended—

18 (1) in paragraph (1)—

19 (A) in subparagraph (B), by striking “sub-
20 paragraphs (C) and (D)” and inserting “sub-
21 paragraph (C)”;

22 (B) by striking subparagraph (C);

23 (C) by redesignating subparagraphs (D)
24 through (F) as subparagraphs (C) through (E),
25 respectively;

1 (D) in subparagraph (D) (as so redesign-
2 nated)—

3 (i) in clause (i), by striking “subpara-
4 graphs (B) and (D)” and inserting “sub-
5 paragraphs (B) and (C)”; and

6 (ii) in clause (iii)(II), by striking
7 “subparagraph (B) or (D)” as “subpara-
8 graph (B) or (C)”; and

9 (E) in subparagraph (E) (as so redesign-
10 nated), by striking “Except as otherwise pro-
11 vided in section 359f(c)(8), if” and inserting
12 “If”; and

13 (2) in paragraph (2), by striking subparagraphs
14 (H) and (I) and inserting the following:

15 “(H) NEW ENTRANTS STARTING PRODUC-
16 TION OR REOPENING FACTORIES.—

17 “(i) DEFINITION OF NEW ENTRANT.—

18 “(I) IN GENERAL.—In this sub-
19 paragraph, the term ‘new entrant’
20 means an individual, corporation, or
21 other entity that—

22 “(aa) does not have an allo-
23 cation of the beet sugar allotment
24 under this part;

1 “(bb) is not affiliated with
2 any other individual, corporation,
3 or entity that has an allocation of
4 beet sugar under this part (re-
5 ferred to in this clause as a ‘third
6 party’); and

7 “(cc) will process sugar
8 beets produced by sugar beet
9 growers under contract with the
10 new entrant for the production of
11 sugar at the new or re-opened
12 factory that is the basis for the
13 new entrant allocation.

14 “(II) AFFILIATION.—For pur-
15 poses of subclause (I)(bb), a new en-
16 trant and a third party shall be con-
17 sidered to be affiliated if—

18 “(aa) the third party has an
19 ownership interest in the new en-
20 trant;

21 “(bb) the new entrant and
22 the third party have owners in
23 common;

24 “(cc) the third party has the
25 ability to exercise control over the

1 new entrant by organizational
2 rights, contractual rights, or any
3 other means;

4 “(dd) the third party has a
5 contractual relationship with the
6 new entrant by which the new
7 entrant will make use of the fa-
8 cilities or assets of the third
9 party; or

10 “(ee) there are any other
11 similar circumstances by which
12 the Secretary determines that the
13 new entrant and the third party
14 are affiliated.

15 “(ii) ALLOCATION FOR A NEW EN-
16 TRANT THAT HAS CONSTRUCTED A NEW
17 FACTORY OR REOPENED A FACTORY THAT
18 WAS NOT OPERATED SINCE BEFORE
19 1998.—If a new entrant constructs a new
20 sugar beet processing factory, or acquires
21 and reopens a sugar beet processing fac-
22 tory that last processed sugar beets prior
23 to the 1998 crop year and there is no allo-
24 cation currently associated with the fac-
25 tory, the Secretary shall—

1 “(I) assign an allocation for beet
2 sugar to the new entrant that pro-
3 vides a fair and equitable distribution
4 of the allocations for beet sugar so as
5 to enable the new entrant to achieve a
6 factory utilization rate comparable to
7 the factory utilization rates of other
8 similarly-situated processors; and

9 “(II) reduce the allocations for
10 beet sugar of all other processors on
11 a pro rata basis to reflect the alloca-
12 tion to the new entrant.

13 “(iii) ALLOCATION FOR A NEW EN-
14 TRANT THAT HAS ACQUIRED AN EXISTING
15 FACTORY WITH A PRODUCTION HISTORY.—

16 “(I) IN GENERAL.—If a new en-
17 trant acquires an existing factory that
18 has processed sugar beets from the
19 1998 or subsequent crop year and has
20 a production history, on the mutual
21 agreement of the new entrant and the
22 company currently holding the alloca-
23 tion associated with the factory, the
24 Secretary shall transfer to the new en-
25 trant a portion of the allocation of the

1 current allocation holder to reflect the
2 historical contribution of the produc-
3 tion of the acquired factory to the
4 total allocation of the current alloca-
5 tion holder.

6 “(II) PROHIBITION.—In the ab-
7 sence of a mutual agreement de-
8 scribed in subclause (I), the new en-
9 trant shall be ineligible for a beet
10 sugar allocation.

11 “(iv) APPEALS.—Any decision made
12 under this subsection may be appealed to
13 the Secretary in accordance with section
14 359i.”.

15 (e) REASSIGNMENT OF DEFICITS.—Section 359e(b)
16 of the Agricultural Adjustment Act of 1938 (7 U.S.C.
17 1359ee(b)) is amended in paragraphs (1)(D) and (2)(C),
18 by inserting “of raw cane sugar” after “imports” each
19 place it appears.

20 (f) PROVISIONS APPLICABLE TO PRODUCERS.—Sec-
21 tion 359f(c) of the Agricultural Adjustment Act of 1938
22 (7 U.S.C. 1359ff(c)) is amended—

23 (1) by striking paragraph (8);

24 (2) by redesignating paragraphs (1) through

25 (7) as paragraphs (2) through (8), respectively;

1 (3) by inserting before paragraph (2) (as so re-
2 designated) the following:

3 “(1) DEFINITION OF SEED.—

4 “(A) IN GENERAL.—In this subsection, the
5 term ‘seed’ means only those varieties of seed
6 that are dedicated to the production of sugar-
7 cane from which is produced sugar for human
8 consumption.

9 “(B) EXCLUSION.—The term ‘seed’ does
10 not include seed of a high-fiber cane variety
11 dedicated to other uses, as determined by the
12 Secretary”;

13 (4) in paragraph (3) (as so redesignated)—

14 (A) in the first sentence—

15 (i) by striking “paragraph (1)” and
16 inserting “paragraph (2)”; and

17 (ii) by inserting “sugar produced
18 from” after “quantity of”; and

19 (B) in the second sentence, by striking
20 “paragraph (7)” and inserting “paragraph
21 (8)”; and

22 (5) in paragraph (8) (as so redesignated), by
23 inserting “sugar from” after “the amount of”.

1 (g) SPECIAL RULES.—Section 359g of the Agricul-
2 tural Adjustment Act of 1938 (7 U.S.C. 1359gg) is
3 amended—

4 (1) by striking subsection (a) and inserting the
5 following:

6 “(a) TRANSFER OF ACREAGE BASE HISTORY.—

7 “(1) IN GENERAL.—For the purpose of estab-
8 lishing proportionate shares for sugarcane farms
9 under section 359f(c), the Secretary, on application
10 of any producer, with the written consent of all own-
11 ers of a farm, may transfer the acreage base history
12 of the farm to any other parcels of land of the appli-
13 cant.

14 “(2) CONVERTED ACREAGE BASE.—

15 “(A) IN GENERAL.—Sugarcane base acre-
16 age established under section 359f(c) that has
17 been or is converted to nonagricultural use on
18 or after the date of the enactment of this para-
19 graph may be transferred to other land suitable
20 for the production of sugarcane that can be de-
21 livered to a processor in a proportionate share
22 in accordance with this paragraph.

23 “(B) NOTIFICATION.—Not later than 90
24 days after the date of the enactment of this
25 paragraph and at the subsequent conversion of

1 any sugarcane base acreage to a non-
2 agricultural use, the Administrator of the Farm
3 Service Agency shall notify the 1 or more af-
4 fected landowners of the transferability of the
5 applicable sugarcane base acreage.

6 “(C) INITIAL TRANSFER PERIOD.—Not
7 later than the end of the 90-day period begin-
8 ning on the date of receipt of the notification
9 under subparagraph (B), the owner of the base
10 attributable to the acreage at the time of the
11 conversion shall transfer the base to 1 or more
12 farms owned by the owner.

13 “(D) GROWER OF RECORD.—If a transfer
14 under subparagraph (C) cannot be accom-
15 plished during the period specified in that sub-
16 paragraph, the grower of record with regard to
17 the base acreage on the date on which the acre-
18 age was converted to nonagricultural use
19 shall—

20 “(i) be notified; and

21 “(ii) have 90 days from the date of
22 the receipt of the notification to transfer
23 the base to 1 or more farms operated by
24 the grower.

25 “(E) POOL DISTRIBUTION.—

1 “(i) IN GENERAL.—If transfers under
2 subparagraphs (B) and (C) cannot be ac-
3 complished during the periods specified in
4 those subparagraphs, the county committee
5 of the Farm Service Agency for the appli-
6 cable county shall place the acreage base in
7 a pool for possible assignment to other
8 farms.

9 “(ii) ACCEPTANCE OF REQUESTS.—
10 After providing reasonable notice to farm
11 owners, operators, and growers of record
12 in the county, the county committee shall
13 accept requests from owners, operators,
14 and growers of record in the county.

15 “(iii) ASSIGNMENT.—The county com-
16 mittee shall assign the base acreage to
17 other farms in the county that are eligible
18 and capable of accepting the base acreage,
19 based on a random selection from among
20 the requests received under clause (ii).

21 “(F) STATEWIDE REALLOCATION.—

22 “(i) IN GENERAL.—Any base acreage
23 remaining unassigned after the transfers
24 and processes described in subparagraphs
25 (A) through (E) shall be made available to

1 the State committee of the Farm Service
2 Agency for allocation among the remaining
3 county committees representing counties
4 with farms eligible for assignment of the
5 base, based on a random selection.

6 “(ii) ALLOCATION.—Any county com-
7 mittee receiving base acreage under this
8 subparagraph shall allocate the base acre-
9 age to eligible farms using the process de-
10 scribed in subparagraph (E).

11 “(G) STATUS OF REASSIGNED BASE.—
12 After base acreage has been reassigned in ac-
13 cordance with this subparagraph, the base acre-
14 age shall—

15 “(i) remain on the farm; and

16 “(ii) be subject to the transfer provi-
17 sions of paragraph (1).”; and

18 (2) in subsection (d)—

19 (A) in paragraph (1)—

20 (i) by inserting “affected” before
21 “crop-share owners” each place it appears;
22 and

23 (ii) by striking “, and from the proc-
24 essing company holding the applicable allo-
25 cation for such shares,”; and

1 (B) in paragraph (2), by striking “based
2 on” and all that follows through the end of sub-
3 paragraph (B) and inserting “based on—

4 “(A) the number of acres of sugarcane
5 base being transferred; and

6 “(B) the pro rata amount of allocation at
7 the processing company holding the applicable
8 allocation that equals the contribution of the
9 grower to allocation of the processing company
10 for the sugarcane base acreage being trans-
11 ferred.”.

12 (h) APPEALS.—Section 359i of the Agricultural Ad-
13 justment Act of 1938 (7 U.S.C. 1359ii) is amended—

14 (1) in subsection (a), by inserting “or 359g(d)”
15 after “359f”; and

16 (2) by striking subsection (c).

17 (i) REALLOCATING SUGAR QUOTA IMPORT SHORT-
18 FALLS.—Section 359k of the Agricultural Adjustment Act
19 of 1938 (7 U.S.C. 1359kk) is repealed.

20 (j) ADMINISTRATION OF TARIFF RATE QUOTAS.—
21 Part VII of subtitle B of title III of the Agricultural Ad-
22 justment Act of 1938 (7 U.S.C. 1359aa) (as amended by
23 subsection (i)) is amended by adding at the end the fol-
24 lowing:

1 **“SEC. 359k. ADMINISTRATION OF TARIFF RATE QUOTAS.**

2 “(a) IN GENERAL.—Notwithstanding any other pro-
3 vision of law, at the beginning of the quota year, the Sec-
4 retary shall establish the tariff-rate quotas for raw cane
5 sugar and refined sugars (other than specialty sugar) at
6 the minimum necessary to comply with obligations under
7 international trade agreements that have been approved
8 by Congress.

9 “(b) ADJUSTMENT.—

10 “(1) BEFORE APRIL 1.—Before April 1 of each
11 fiscal year, if there is an emergency shortage of
12 sugar in the United States market that is caused by
13 a war, flood, hurricane, or other natural disaster, or
14 other similar event as determined by the Secretary—

15 “(A) the Secretary shall take action to in-
16 crease the supply of sugar in accordance with
17 sections 359c(b)(2) and 359e(b); and

18 “(B) if there is still a shortage of sugar in
19 the United States market, and marketing of do-
20 mestic sugar has been maximized, the Secretary
21 may increase the tariff-rate quota for refined
22 sugars sufficient to accommodate the supply in-
23 crease, if the further increase will not threaten
24 to result in the forfeiture of sugar pledged as
25 collateral for a loan under section 156 of the

1 Federal Agriculture Improvement and Reform
2 Act of 1996 (7 U.S.C. 7272).

3 “(2) ON OR AFTER APRIL 1.—On or after April
4 1 of each fiscal year—

5 “(A) the Secretary may take action to in-
6 crease the supply of sugar in accordance with
7 sections 359c(b)(2) and 359e(b); and

8 “(B) if there is still a shortage of sugar in
9 the United States market, and marketing of do-
10 mestic sugar has been maximized, the Secretary
11 may increase the tariff-rate quota for raw cane
12 sugar if the further increase will not threaten to
13 result in the forfeiture of sugar pledged as col-
14 lateral for a loan under section 156 of the Fed-
15 eral Agriculture Improvement and Reform Act
16 of 1996 (7 U.S.C. 7272).”.

17 (k) PERIOD OF EFFECTIVENESS.—Part VII of sub-
18 title B of title III of the Agricultural Adjustment Act of
19 1938 (7 U.S.C. 1359aa) (as amended by subsection (j))
20 is amended by adding at the end the following:

21 **“SEC. 359I. PERIOD OF EFFECTIVENESS.**

22 “(a) IN GENERAL.—This part shall be effective only
23 for the 2008 through 2012 crop years for sugar.

24 “(b) TRANSITION.—The Secretary shall administer
25 flexible marketing allotments for sugar for the 2007 crop

1 year for sugar on the terms and conditions provided in
2 this part as in effect on the day before the date of enact-
3 ment of this section.”.

4 (1) UNITED STATES MEMBERSHIP IN THE INTER-
5 NATIONAL SUGAR ORGANIZATION.—Not later than 1 year
6 after the date of enactment of this Act, the Secretary shall
7 work with the Secretary of State to restore, to the max-
8 imum extent practicable, United States membership in the
9 International Sugar Organization.

10 **SEC. 1505. SENSE OF THE SENATE REGARDING NAFTA**
11 **SUGAR COORDINATION.**

12 It is the sense of the Senate that in order to improve
13 the operations of the North American Free Trade Agree-
14 ment—

15 (1) the United States Government and the Gov-
16 ernment of Mexico should coordinate the operation
17 of their respective sugar policies; and

18 (2) the United States Government should con-
19 sult with the Government of Mexico on policies to
20 avoid disruptions of the United States sugar market
21 and the Mexican sugar market in order to maximize
22 the benefits of sugar policies for growers, processors,
23 and consumers of sugar in the United States and
24 Mexico.

Subtitle D—Dairy

2 SEC. 1601. DAIRY PRODUCT PRICE SUPPORT PROGRAM.

3 (a) SUPPORT ACTIVITIES.—During the period begin-
4 ning on January 1, 2008, and ending on December 31,
5 2012, the Secretary shall support the price of cheddar
6 cheese, butter, and nonfat dry milk through the purchase
7 of such products made from milk produced in the United
8 States.

9 (b) PURCHASE PRICE.—To carry out subsection (a),
10 the Secretary shall purchase cheddar cheese, butter, and
11 nonfat dry milk at prices that are equivalent to—

12 (1) in the case of cheddar cheese—

13 (A) in blocks, not less than \$1.13 per
14 pound;

15 (B) in barrels, not less than \$1.10 per
16 pound;

17 (2) in the case of butter, not less than \$1.05
18 per pound; and

19 (3) in the case of nonfat dry milk, not less than
20 \$0.80 per pound.

21 (c) UNIFORM PURCHASE PRICE.—The prices that the
22 Secretary pays for cheese, butter, or nonfat dry milk
23 under this section shall be uniform for all regions of the
24 United States.

25 (d) SALES FROM INVENTORIES.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), in the case of each commodity specified
3 in subsection (b) that is available for unrestricted
4 use in inventories of the Commodity Credit Corpora-
5 tion, the Secretary may sell the commodity at the
6 market prices prevailing for that commodity at the
7 time of sale.

8 (2) MINIMUM AMOUNT.—The sale price de-
9 scribed in paragraph (1) may not be less than 110
10 percent of the minimum purchase price specified in
11 subsection (b) for that commodity.

12 **SEC. 1602. NATIONAL DAIRY MARKET LOSS PAYMENTS.**

13 (a) DEFINITIONS.—In this section:

14 (1) CLASS I MILK.—The term “Class I milk”
15 means milk (including milk components) classified
16 as Class I milk under a Federal milk marketing
17 order.

18 (2) ELIGIBLE PRODUCTION.—The term “eligi-
19 ble production” means milk produced by a producer
20 in a participating State.

21 (3) FEDERAL MILK MARKETING ORDER.—The
22 term “Federal milk marketing order” means an
23 order issued under section 8c of the Agricultural Ad-
24 justment Act (7 U.S.C. 608c), reenacted with

1 amendments by the Agricultural Marketing Agree-
2 ment Act of 1937.

3 (4) PARTICIPATING STATE.—The term “partici-
4 pating State” means each State.

5 (5) PRODUCER.—The term “producer” means
6 an individual or entity that directly or indirectly (as
7 determined by the Secretary)—

8 (A) shares in the risk of producing milk;
9 and

10 (B) makes contributions (including land,
11 labor, management, equipment, or capital) to
12 the dairy farming operation of the individual or
13 entity that are at least commensurate with the
14 share of the individual or entity of the proceeds
15 of the operation.

16 (b) PAYMENTS.—The Secretary shall offer to enter
17 into contracts with producers on a dairy farm located in
18 a participating State under which the producers receive
19 payments on eligible production.

20 (c) AMOUNT.—Payments to a producer under this
21 section shall be calculated by multiplying (as determined
22 by the Secretary)—

23 (1) the payment quantity for the producer dur-
24 ing the applicable month established under sub-
25 section (d);

1 (2) the amount equal to—

2 (A) \$16.94 per hundredweight; less

3 (B) the Class I milk price per hundred-
4 weight in Boston under the applicable Federal
5 milk marketing order; by

6 (3)(A) for the period beginning October 1,
7 2007, and ending September 30, 2008, 34 percent;

8 (B) for the period beginning October 1, 2008,
9 and ending August 31, 2012, 45 percent; and

10 (C) for the period beginning September 1,
11 2012, and thereafter, 34 percent.

12 (d) PAYMENT QUANTITY.—

13 (1) IN GENERAL.—Subject to paragraph (2),
14 the payment quantity for a producer during the ap-
15 plicable month under this section shall be equal to
16 the quantity of eligible production marketed by the
17 producer during the month.

18 (2) LIMITATION.—

19 (A) IN GENERAL.—The payment quantity
20 for all producers on a single dairy operation for
21 which the producers receive payments under
22 subsection (b) shall not exceed—

23 (i) for the period beginning October 1,
24 2007, and ending September 30, 2008,
25 2,400,000 pounds;

1 (ii) for the period beginning October
2 1, 2008, and ending August 31, 2012,
3 4,150,000 pounds; and

4 (iii) effective beginning September 1,
5 2012, 2,400,000 pounds.

6 (B) STANDARDS.—For purposes of deter-
7 mining whether producers are producers on sep-
8 arate dairy operations or a single dairy oper-
9 ation, the Secretary shall apply the same stand-
10 ards as were applied in implementing the dairy
11 program under section 805 of the Agriculture,
12 Rural Development, Food and Drug Adminis-
13 tration, and Related Agencies Appropriations
14 Act, 2001 (as enacted into law by Public Law
15 106–387; 114 Stat. 1549A–50).

16 (3) RECONSTITUTION.—The Secretary shall en-
17 sure that a producer does not reconstitute a dairy
18 operation for the sole purpose of receiving additional
19 payments under this section.

20 (e) PAYMENTS.—A payment under a contract under
21 this section shall be made on a monthly basis not later
22 than 60 days after the last day of the month for which
23 the payment is made.

24 (f) SIGNUP.—The Secretary shall offer to enter into
25 contracts under this section during the period beginning

1 on the date that is 90 days after the date of enactment
2 of this Act and ending on September 30, 2012.

3 (g) DURATION OF CONTRACT.—

4 (1) IN GENERAL.—Except as provided in para-
5 graph (2), any contract entered into by producers on
6 a dairy farm under this section shall cover eligible
7 production marketed by the producers on the dairy
8 farm during the period starting with the first day of
9 month the producers on the dairy farm enter into
10 the contract and ending on September 30, 2012.

11 (2) VIOLATIONS.—If a producer violates the
12 contract, the Secretary may—

13 (A) terminate the contract and allow the
14 producer to retain any payments received under
15 the contract; or

16 (B) allow the contract to remain in effect
17 and require the producer to repay a portion of
18 the payments received under the contract based
19 on the severity of the violation.

20 **SEC. 1603. DAIRY EXPORT INCENTIVE AND DAIRY INDEM-**
21 **NITY PROGRAMS.**

22 (a) DAIRY EXPORT INCENTIVE PROGRAM.—Section
23 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–
24 14(a)) is amended by striking “2007” and inserting
25 “2012”.

1 (b) DAIRY INDEMNITY PROGRAM.—Section 3 of Pub-
2 lic Law 90–484 (7 U.S.C. 450*l*) is amended by striking
3 “2007” and inserting “2012”.

4 **SEC. 1604. FUNDING OF DAIRY PROMOTION AND RESEARCH**
5 **PROGRAM.**

6 Section 113(e)(2) of the Dairy Production Stabiliza-
7 tion Act of 1983 (7 U.S.C. 4504(e)(2)) is amended by
8 striking “2007” and inserting “2012”.

9 **SEC. 1605. REVISION OF FEDERAL MARKETING ORDER**
10 **AMENDMENT PROCEDURES.**

11 Section 8c of the Agricultural Adjustment Act (7
12 U.S.C. 608c), reenacted with amendments by the Agricul-
13 tural Marketing Agreement Act of 1937, is amended by
14 striking subsection (17) and inserting the following:

15 “(17) PROVISIONS APPLICABLE TO AMEND-
16 MENTS.—

17 “(A) APPLICABILITY TO AMENDMENTS.—

18 The provisions of this section and section 8d
19 applicable to orders shall be applicable to
20 amendments to orders.

21 “(B) SUPPLEMENTAL RULES OF PRAC-
22 TICE.—

23 “(i) IN GENERAL.—Not later than 60
24 days after the date of enactment of this
25 subparagraph, the Secretary shall issue,

1 using informal rulemaking, supplemental
2 rules of practice to define guidelines and
3 timeframes for the rulemaking process re-
4 lating to amendments to orders.

5 “(ii) ISSUES.—At a minimum, the
6 supplemental rules of practice shall estab-
7 lish—

8 “(I) proposal submission require-
9 ments;

10 “(II) pre-hearing information
11 session specifications;

12 “(III) written testimony and data
13 request requirements;

14 “(IV) public participation time-
15 frames; and

16 “(V) electronic document submis-
17 sion standards.

18 “(iii) EFFECTIVE DATE.—The supple-
19 mental rules of practice shall take effect
20 not later than 120 days after the date of
21 enactment of this subparagraph, as deter-
22 mined by the Secretary.

23 “(C) HEARING TIMEFRAMES.—

24 “(i) IN GENERAL.—Not more than 30
25 days after the receipt of a proposal for an

1 amendment hearing regarding a milk mar-
2 keting order, the Secretary shall—

3 “(I) issue a notice providing an
4 action plan and expected timeframes
5 for completion of the hearing not
6 more than 180 days after the date of
7 the issuance of the notice;

8 “(II)(aa) issue a request for ad-
9 ditional information to be used by the
10 Secretary in making a determination
11 regarding the proposal; and

12 “(bb) if the additional informa-
13 tion is not provided to the Secretary
14 within the timeframe requested by the
15 Secretary, issue a denial of the re-
16 quest; or

17 “(III) issue a denial of the re-
18 quest.

19 “(ii) NOTICE.—A notice issued under
20 clause (i)(I) shall be individualized for each
21 proceeding and take into consideration—

22 “(I) the number of orders af-
23 fected;

24 “(II) the complexity of issues in-
25 volved; and

1 “(III) the extent of the analyses
2 required by applicable Executive or-
3 ders (including Executive orders relat-
4 ing to civil rights, regulatory flexi-
5 bility, and economic impact).

6 “(iii) RECOMMENDED DECISIONS.—A
7 recommended decision on a proposed
8 amendment to an order shall be issued not
9 later than 90 days after the deadline estab-
10 lished after the hearing for the submission
11 of post-hearing briefs, unless otherwise
12 provided in the initial notice issued under
13 clause (i)(I).

14 “(iv) FINAL DECISIONS.—A final deci-
15 sion on a proposed amendment to an order
16 shall be issued not later than 60 days after
17 the deadline for submission of comments
18 and exceptions to the recommended deci-
19 sion issued under clause (ii), unless other-
20 wise provided in the initial notice issued
21 under clause (i)(I).

22 “(D) INDUSTRY ASSESSMENTS.—If the
23 Secretary determines it is necessary to improve
24 or expedite rulemaking under this subsection,
25 the Secretary may impose an assessment on the

1 affected industry to supplement appropriated
2 funds for the procurement of service providers,
3 such as court reporters.

4 “(E) USE OF INFORMAL RULEMAKING.—
5 The Secretary may use rulemaking under sec-
6 tion 553 of title 5, United States Code, to
7 amend orders, other than provisions of orders
8 that directly affecting milk prices.

9 “(F) MONTHLY FEED AND FUEL COSTS
10 FOR MAKE ALLOWANCES.—As part of any hear-
11 ing to adjust make allowances under marketing
12 orders, the Secretary shall—

13 “(i) determine the average monthly
14 prices of feed and fuel incurred by dairy
15 producers in the relevant marketing area;

16 “(ii) consider the most recent monthly
17 feed and fuel price data available; and

18 “(iii) consider those prices in deter-
19 mining whether or not to adjust make al-
20 lowances.”.

21 **SEC. 1606. DAIRY FORWARD PRICING PROGRAM.**

22 (a) IN GENERAL.—Section 23 of the Agricultural Ad-
23 justment Act (7 U.S.C. 627), reenacted with amendments
24 by the Agricultural Marketing Agreement Act of 1937, is
25 amended—

1 (1) in the section heading, by striking
2 “**PILOT**”;

3 (2) by striking subsection (a) and inserting the
4 following:

5 “(a) **PROGRAM REQUIRED.**—The Secretary of Agri-
6 culture shall establish a program under which milk pro-
7 ducers and cooperative associations of producers are au-
8 thorized to voluntarily enter into forward price contracts
9 with milk handlers.”;

10 (3) in subsection (c)—

11 (A) in the subsection heading, by striking
12 “PILOT”; and

13 (B) in paragraph (1), by striking “pilot”;

14 (4) by striking subsections (d) and (e); and

15 (5) by adding at the end the following:

16 “(d) **VOLUNTARY PROGRAM.**—

17 “(1) **IN GENERAL.**—A milk handler may not re-
18 quire participation in a forward price contract as a
19 condition of the handler receiving milk from a pro-
20 ducer or cooperative association of producers.

21 “(2) **EFFECT OF NONPARTICIPATION.**—A pro-
22 ducer or cooperative association that does not enter
23 into a forward price contract may continue to have
24 milk priced under the minimum payment provisions
25 of the applicable milk marketing order.

1 “(3) COMPLAINTS.—The Secretary shall—

2 “(A) investigate complaints made by pro-
3 ducers or cooperative associations of coercion by
4 handlers to enter into forward price contracts;
5 and

6 “(B) if the Secretary finds evidence of co-
7 ercion, take appropriate action.

8 “(e) DURATION.—No forward price contract under
9 this section may—

10 “(1) be entered into after September 30, 2012;
11 or

12 “(2) may extend beyond September 30, 2015.”.

13 (b) CONFORMING AMENDMENTS.—Section 23 of the
14 Agricultural Adjustment Act (7 U.S.C. 627), reenacted
15 with amendments by the Agricultural Marketing Agree-
16 ment Act of 1937, is amended by striking “cooperatives”
17 each place it appears in subsections (b) and (c)(2) and
18 inserting “cooperative associations of producers”.

19 **SEC. 1607. REPORT ON DEPARTMENT OF AGRICULTURE RE-**
20 **PORTING PROCEDURES FOR NONFAT DRY**
21 **MILK.**

22 Not later than 90 days after the date of the enact-
23 ment of this Act, the Secretary shall submit to the Com-
24 mittee on Agriculture of the House of Representatives and
25 the Committee on Agriculture, Nutrition, and Forestry of

1 the Senate a report regarding Department of Agriculture
2 reporting procedures for nonfat dry milk and the impact
3 of the procedures on Federal milk marketing order min-
4 imum prices during the period beginning on July 1, 2006,
5 and ending on the date of the enactment of this Act.

6 **SEC. 1608. FEDERAL MILK MARKETING ORDER REVIEW**
7 **COMMISSION.**

8 (a) DEFINITION OF ASCARR INSTITUTION.—In this
9 section:

10 (1) IN GENERAL.—The term “ASCARR Insti-
11 tution” means a public college or university offering
12 a baccalaureate or higher degree in the study of ag-
13 riculture.

14 (2) EXCLUSIONS.—The term “ASCARR Insti-
15 tution” does not include an institution eligible to re-
16 ceive funds under—

17 (A) the Act of July 2, 1862 (commonly
18 known as the “First Morrill Act”) (7 U.S.C.
19 301 et seq.);

20 (B) the Act of August 30, 1890 (commonly
21 known as the “Second Morrill Act”) (7 U.S.C.
22 321 et seq.); or

23 (C) the Equity in Educational Land-Grant
24 Status Act of 1994 (Public Law 103–382; 7
25 U.S.C. 301 note).

1 (b) ESTABLISHMENT.—Subject to the availability of
2 funds appropriated to carry out this section, the Secretary
3 shall establish a commission to be known as the “Federal
4 Milk Marketing Order Review Commission” (referred to
5 in this section as the “Commission”), which shall conduct
6 a comprehensive review and evaluation of—

7 (1) the Federal milk marketing order system in
8 effect on the date of enactment of this Act; and

9 (2) non-Federal milk marketing order systems.

10 (c) ELEMENTS OF REVIEW AND EVALUATION.—As
11 part of the review and evaluation under subsection (b),
12 the Commission shall consider legislative and regulatory
13 options for—

14 (1) ensuring that the competitiveness of dairy
15 products with other competing products in the mar-
16 ketplace is preserved and enhanced;

17 (2) enhancing the competitiveness of United
18 States dairy producers in world markets;

19 (3) increasing the responsiveness of the Federal
20 milk marketing order system to market forces;

21 (4) streamlining and expediting the process by
22 which amendments to Federal milk market orders
23 are adopted;

24 (5) simplifying the Federal milk marketing
25 order system;

1 (6) evaluating whether the Federal milk mar-
2 keting order system, established during the Great
3 Depression, continues to serve the interests of the
4 public, dairy processors, and dairy producers;

5 (7) evaluating whether Federal milk marketing
6 orders are operating in a manner to minimize costs
7 to taxpayers and consumers;

8 (8) evaluating the nutritional composition of
9 milk, including the potential benefits and costs of
10 adjusting the milk content standards;

11 (9) evaluating the economic benefits to milk
12 producers of establishing a 2-class system of
13 classifying milk consisting of a fluid milk class and
14 a manufacturing grade milk class, with the price of
15 both classes determined using the component prices
16 of butterfat, protein, and other solids; and

17 (10) evaluating a change in advance pricing
18 that is used to calculate the advance price of Class
19 II skim milk under Federal milk marketing orders
20 using the 4-week component prices that are used to
21 calculate prices for Class III and Class IV milk.

22 (d) MEMBERSHIP.—

23 (1) COMPOSITION.—The Commission shall con-
24 sist of 18 members.

1 (2) MEMBERS.—As soon as practicable after
2 the date on which funds are first made available to
3 carry out this section—

4 (A) 2 members of the Commission shall be
5 appointed by the Chairman of the Committee
6 on Agriculture of the House of Representatives,
7 in consultation with the ranking member of the
8 Committee on Agriculture of the House of Rep-
9 resentatives;

10 (B) 2 members of the Commission shall be
11 appointed by the Chairman of the Committee
12 on Agriculture, Nutrition, and Forestry of the
13 Senate, in consultation with the ranking mem-
14 ber of the Committee on Agriculture, Nutrition
15 and Forestry of the Senate; and

16 (C) 14 members of the Commission shall
17 be appointed by the Secretary.

18 (3) SPECIAL APPOINTMENT REQUIREMENTS.—
19 In the case of members of the Commission appointed
20 under paragraph (2)(C), the Secretary shall ensure
21 that—

22 (A) at least 1 member represents a na-
23 tional consumer organization;

24 (B) at least 4 members represent land-
25 grant colleges or universities (as defined in sec-

1 tion 1404 of the National Agricultural Re-
2 search, Extension, and Teaching Policy Act of
3 1977 (7 U.S.C. 3103)) or ASCARR institutions
4 with accredited dairy economic programs, with
5 at least 2 of those members being experts in the
6 field of economics;

7 (C) at least 1 member represents the food
8 and beverage retail sector; and

9 (D) 4 dairy producers and 4 dairy proc-
10 essors are appointed in a manner that will—

11 (i) balance geographical distribution
12 of milk production and dairy processing;

13 (ii) reflect all segments of dairy proc-
14 essing; and

15 (iii) represent all regions of the
16 United States equitably, including States
17 that operate outside of a Federal milk
18 marketing order.

19 (4) CHAIR.—The Commission shall elect 1 of
20 the members of the Commission to serve as chair-
21 person for the duration of the proceedings of the
22 Commission.

23 (5) VACANCY.—Any vacancy occurring before
24 the termination of the Commission shall be filled in
25 the same manner as the original appointment.

1 (6) COMPENSATION.—A member of the Com-
2 mission shall serve without compensation, but shall
3 be reimbursed by the Secretary from existing budget
4 authority for necessary and reasonable expenses in-
5 curred in the performance of the duties of the Com-
6 mission.

7 (e) REPORT.—

8 (1) IN GENERAL.—Not later than 2 years after
9 the date of the first meeting of the Commission, the
10 Commission shall submit to Congress and the Sec-
11 retary a report describing the results of the review
12 and evaluation conducted under this section, includ-
13 ing such recommendations regarding the legislative
14 and regulatory options considered under subsection
15 (c) as the Commission considers to be appropriate.

16 (2) SUPPORT.—The report findings shall re-
17 flect, to the maximum extent practicable, a con-
18 sensus opinion of the Commission members, but the
19 report may include majority and minority findings
20 regarding those matters for which consensus was not
21 reached.

22 (f) ADVISORY NATURE.—The Commission is wholly
23 advisory in nature and the recommendations of the Com-
24 mission are nonbinding.

1 (g) NO EFFECT ON EXISTING PROGRAMS.—The Sec-
2 retary shall not allow the existence of the Commission to
3 impede, delay, or otherwise affect any decisionmaking
4 process of the Department of Agriculture, including any
5 rulemaking procedures planned, proposed, or near comple-
6 tion.

7 (h) ADMINISTRATIVE ASSISTANCE.—The Secretary
8 shall provide such administrative support to the Commis-
9 sion, and expend such funds as necessary from budget au-
10 thority available to the Secretary, as is necessary to carry
11 out this section.

12 (i) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated such sums as are nec-
14 essary to carry out this section.

15 (j) TERMINATION OF EFFECTIVENESS.—The author-
16 ity provided by this section terminates effective on the
17 date of the submission of the report under subsection (e).

18 **SEC. 1609. MANDATORY REPORTING OF DAIRY COMMOD-**
19 **ITIES.**

20 Section 273 of the Agricultural Marketing Act of
21 1946 (7 U.S.C. 1637b) is amended—

22 (1) by striking subsections (a) and (b) and in-
23 serting the following:

24 “(a) DAILY REPORTING.—

1 “(1) IN GENERAL.—Not later than 180 days
2 after the date of enactment of the Food and Energy
3 Security Act of 2007, the Secretary shall require
4 corporate officers or officially-designated representa-
5 tives of each dairy processor to report to the Sec-
6 retary on each daily reporting day designated by the
7 Secretary, not later than 10:00 a.m. Central Time,
8 for each sales transaction involving a dairy com-
9 modity, information concerning—

10 “(A) the sales price;

11 “(B) the quantity sold;

12 “(C) the location of the sales transaction;

13 and

14 “(D) product characteristics, including—

15 “(i) moisture level;

16 “(ii) packaging size;

17 “(iii) grade;

18 “(iv) if appropriate, fat, protein, or
19 other component level;

20 “(v) heat level for dried products; and

21 “(vi) other defining product character-
22 istics used in transactions.

23 “(2) PUBLICATION.—The Secretary shall make
24 the information reported under paragraph (1) avail-
25 able to the public not less frequently than once each

1 reporting day, categorized by location and product
2 characteristics.

3 “(3) FEDERAL ORDER PRICES.—If the Sec-
4 retary uses dairy product prices to establish min-
5 imum prices in accordance with section 8c(5) of the
6 Agricultural Adjustment Act (7 U.S.C. 608c(5)), re-
7 enacted with amendments by the Agricultural Mar-
8 keting Agreement Act of 1937, the Secretary shall
9 use daily prices published under paragraph (2) to
10 determine such prices.

11 “(4) EXEMPTION FOR SMALL PROCESSORS.—A
12 processor that processes 1,000,000 pounds of milk
13 or less per year shall be exempt from daily reporting
14 requirements under this subsection.”; and

15 (2) by redesignating subsections (c) and (d) as
16 subsections (b) and (c), respectively.

17 **Subtitle E—Administration**

18 **SEC. 1701. ADMINISTRATION GENERALLY.**

19 (a) USE OF COMMODITY CREDIT CORPORATION.—
20 Except as otherwise provided in subtitles A through D and
21 this subtitle, the Secretary shall use the funds, facilities,
22 and authorities of the Commodity Credit Corporation to
23 carry out subtitles A through D and this subtitle.

1 (b) DETERMINATIONS BY SECRETARY.—A deter-
2 mination made by the Secretary under this title shall be
3 final and conclusive.

4 (c) REGULATIONS.—

5 (1) IN GENERAL.—Not later than 90 days after
6 the date of the enactment of this Act, the Secretary
7 and the Commodity Credit Corporation, as appro-
8 priate, shall promulgate such regulations as are nec-
9 essary to implement this title and the amendments
10 made by this title.

11 (2) PROCEDURE.—The promulgation of the reg-
12 ulations and administration of this title and the
13 amendments made by this title shall be made with-
14 out regard to—

15 (A) chapter 35 of title 44, United States
16 Code (commonly known as the “Paperwork Re-
17 duction Act”);

18 (B) the Statement of Policy of the Sec-
19 retary of Agriculture effective July 24, 1971
20 (36 Fed. Reg. 13804), relating to notices of
21 proposed rulemaking and public participation in
22 rulemaking; and

23 (C) the notice and comment provisions of
24 section 553 of title 5, United States Code.

1 (3) CONGRESSIONAL REVIEW OF AGENCY RULE-
2 MAKING.—In carrying out this subsection, the Sec-
3 retary shall use the authority provided under section
4 808 of title 5, United States Code.

5 (d) ADJUSTMENT AUTHORITY RELATED TO TRADE
6 AGREEMENTS COMPLIANCE.—

7 (1) REQUIRED DETERMINATION; ADJUST-
8 MENT.—If the Secretary determines that expendi-
9 tures under subtitles A through D and this subtitle
10 that are subject to the total allowable domestic sup-
11 port levels under the Uruguay Round Agreements
12 (as defined in section 2 of the Uruguay Round
13 Agreements Act (19 U.S.C. 3501)) will exceed such
14 allowable levels for any applicable reporting period,
15 the Secretary shall, to the maximum extent prac-
16 ticable, make adjustments in the amount of such ex-
17 penditures during that period to ensure that such
18 expenditures do not exceed such allowable levels.

19 (2) CONGRESSIONAL NOTIFICATION.—Before
20 making any adjustment under paragraph (1), the
21 Secretary shall submit to the Committee on Agri-
22 culture of the House of Representatives or the Com-
23 mittee on Agriculture, Nutrition, and Forestry of
24 the Senate a report describing the determination

1 made under that paragraph and the extent of the
2 adjustment to be made.

3 (e) TREATMENT OF ADVANCE PAYMENT OPTION.—

4 Section 1601(d) of the Farm Security and Rural Invest-
5 ment Act of 2002 (7 U.S.C. 7991(d)) is amended—

6 (1) in paragraph (1), by striking “and” at the
7 end;

8 (2) in paragraph (2), by striking the period at
9 the end and inserting “; and”; and

10 (3) by adding at the end the following:

11 “(3) the advance payment of direct payments
12 and counter-cyclical payments under title I of the
13 Food and Energy Security Act of 2007.”.

14 **SEC. 1702. SUSPENSION OF PERMANENT PRICE SUPPORT**
15 **AUTHORITY.**

16 (a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—

17 The following provisions of the Agricultural Adjustment
18 Act of 1938 shall not be applicable to the 2008 through
19 2012 crops of covered commodities and sugar and shall
20 not be applicable to milk during the period beginning on
21 the date of enactment of this Act through December 31,
22 2012:

23 (1) Parts II through V of subtitle B of title III
24 (7 U.S.C. 1326 et seq.).

1 (2) In the case of upland cotton, section 377 (7
2 U.S.C. 1377).

3 (3) Subtitle D of title III (7 U.S.C. 1379a et
4 seq.).

5 (4) Title IV (7 U.S.C. 1401 et seq.).

6 (b) AGRICULTURAL ACT OF 1949.—The following
7 provisions of the Agricultural Act of 1949 shall not be ap-
8 plicable to the 2008 through 2012 crops of covered com-
9 modities and sugar and shall not be applicable to milk dur-
10 ing the period beginning on the date of enactment of this
11 Act and through December 31, 2012:

12 (1) Section 101 (7 U.S.C. 1441).

13 (2) Section 103(a) (7 U.S.C. 1444(a)).

14 (3) Section 105 (7 U.S.C. 1444b).

15 (4) Section 107 (7 U.S.C. 1445a).

16 (5) Section 110 (7 U.S.C. 1445e).

17 (6) Section 112 (7 U.S.C. 1445g).

18 (7) Section 115 (7 U.S.C. 1445k).

19 (8) Section 201 (7 U.S.C. 1446).

20 (9) Title III (7 U.S.C. 1447 et seq.).

21 (10) Title IV (7 U.S.C. 1421 et seq.), other
22 than sections 404, 412, and 416 (7 U.S.C. 1424,
23 1429, and 1431).

24 (11) Title V (7 U.S.C. 1461 et seq.).

25 (12) Title VI (7 U.S.C. 1471 et seq.).

1 (c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—

2 The joint resolution entitled “A joint resolution relating
3 to corn and wheat marketing quotas under the Agricul-
4 tural Adjustment Act of 1938, as amended”, approved
5 May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be
6 applicable to the crops of wheat planted for harvest in the
7 calendar years 2008 through 2012.

8 **SEC. 1703. PAYMENT LIMITATIONS.**

9 (a) EXTENSION OF LIMITATIONS.—Sections 1001
10 and 1001C(a) of the Food Security Act of 1985 (7 U.S.C.
11 1308, 1308-3(a)) are amended by striking “Farm Security
12 and Rural Investment Act of 2002” each place it appears
13 and inserting “Food and Energy Security Act of 2007”.

14 (b) REVISION OF LIMITATIONS.—

15 (1) DEFINITIONS.—Section 1001(a) of the
16 Food Security Act of 1985 (7 U.S.C. 1308) is
17 amended—

18 (A) in the matter preceding paragraph (1),
19 by inserting “and section 1001A” after “sec-
20 tion”;

21 (B) by striking paragraph (2) and redesign-
22 ating paragraph (3) as paragraph (5); and

23 (C) by inserting after paragraph (1) the
24 following:

1 “(2) FAMILY MEMBER.—The term ‘family
2 member’ means an individual to whom a member in
3 the farming operation is related as lineal ancestor,
4 lineal descendant, sibling, or spouse.

5 “(3) LEGAL ENTITY.—The term ‘legal entity’
6 means an entity that is created under Federal or
7 State law and that—

8 “(A) owns land or an agricultural com-
9 modity; or

10 “(B) produces an agricultural commodity.

11 “(4) PERSON.—The term ‘person’ means a nat-
12 ural person, and does not include a legal entity.”.

13 (2) LIMITATION ON DIRECT PAYMENTS AND
14 COUNTER-CYCLICAL PAYMENTS.—Section 1001 of
15 the Food Security Act of 1985 (7 U.S.C. 1308) is
16 amended by striking subsections (b), (c) and (d) and
17 inserting the following:

18 “(b) LIMITATION ON DIRECT AND COUNTER-CYCLI-
19 CAL PAYMENTS FOR COVERED COMMODITIES (OTHER
20 THAN PEANUTS).—

21 “(1) DIRECT PAYMENTS.—The total amount of
22 direct payments received, directly or indirectly, by a
23 person or legal entity (except a joint venture or a
24 general partnership) for any crop year under part I
25 of subtitle A of title I of the Food and Energy Secu-

1 rity Act of 2007 for 1 or more covered commodities
2 (except for peanuts), or average crop revenue pay-
3 ments determined under section 1401(b)(2) of that
4 Act, may not exceed \$40,000.

5 “(2) COUNTER-CYCLICAL PAYMENTS.—The
6 total amount of counter-cyclical payments received,
7 directly or indirectly, by a person or legal entity (ex-
8 cept a joint venture or a general partnership) for
9 any crop year under part I of subtitle A of title I
10 of the Food and Energy Security Act of 2007 for
11 one or more covered commodities (except for pea-
12 nuts), or average crop revenue payments determined
13 under section 1401(b)(3) of that Act, may not ex-
14 ceed \$60,000.

15 “(c) LIMITATION ON DIRECT PAYMENTS AND
16 COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.—

17 “(1) DIRECT PAYMENTS.—The total amount of
18 direct payments received, directly or indirectly, by a
19 person or legal entity (except a joint venture or a
20 general partnership) for any crop year under part
21 III of subtitle A of title I of the Food and Energy
22 Security Act of 2007 for peanuts, or average crop
23 revenue payments determined under section
24 1401(b)(2) of that Act, may not exceed \$40,000.

1 “(2) COUNTER-CYCLICAL PAYMENTS.—The
2 total amount of counter-cyclical payments received,
3 directly or indirectly, by a person or legal entity (ex-
4 cept a joint venture or a general partnership) for
5 any crop year under part III of subtitle A of title
6 I of the Food and Energy Security Act of 2007 for
7 peanuts, or average crop revenue payments deter-
8 mined under section 1401(b)(3) of that Act, may not
9 exceed \$60,000.”.

10 “(d) LIMITATION ON APPLICABILITY.—Nothing in
11 this section authorizes any limitation on any benefit asso-
12 ciated with the marketing assistance loan program or the
13 loan deficiency payment program under title I of the Food
14 and Energy Security Act of 2007.”.

15 (3) DIRECT ATTRIBUTION.—Section 1001 of
16 the Food Security Act of 1985 (7 U.S.C. 1308) is
17 amended by striking subsection (e) and redesign-
18 ating subsections (f) and (g) as (g) and (h), respec-
19 tively, and inserting the following:

20 “(e) ATTRIBUTION OF PAYMENTS.—

21 “(1) IN GENERAL.—In implementing sub-
22 sections (b) and (c) and a program described in sec-
23 tion 1001D(b)(2)(C), the Secretary shall issue such
24 regulations as are necessary to ensure that the total
25 amount of payments are attributed to a person by

1 taking into account the direct and indirect owner-
2 ship interests of the person in a legal entity that is
3 eligible to receive the payments.

4 “(2) PAYMENTS TO A PERSON.—Each payment
5 made directly to a person shall be combined with the
6 pro rata interest of the person in payments received
7 by a legal entity in which the person has a direct or
8 indirect ownership interest unless the payments of
9 the legal entity have been reduced by the pro rata
10 share of the person.

11 “(3) PAYMENTS TO A LEGAL ENTITY.—

12 “(A) IN GENERAL.—Each payment made
13 to a legal entity shall be attributed to those per-
14 sons who have a direct or indirect ownership in-
15 terest in the legal entity unless the payment to
16 the legal entity has been reduced by the pro
17 rata share of the person.

18 “(B) ATTRIBUTION OF PAYMENTS.—

19 “(i) PAYMENT LIMITS.—Except as
20 provided in clause (ii), payments made to
21 a legal entity shall not exceed the amounts
22 specified in subsections (b) and (c).

23 “(ii) EXCEPTION FOR JOINT VEN-
24 TURES AND GENERAL PARTNERSHIPS.—
25 Payments made to a joint venture or a

1 general partnership shall not exceed, for
2 each payment specified in subsections (b)
3 and (c), the amount determined by multi-
4 plying the maximum payment amount
5 specified in subsections (b) and (c) by the
6 number of persons and legal entities (other
7 than joint ventures and general partner-
8 ships) that comprise the ownership of the
9 joint venture or general partnership.

10 “(iii) REDUCTION.—Payments made
11 to a legal entity shall be reduced propor-
12 tionately by an amount that represents the
13 direct or indirect ownership in the legal en-
14 tity by any individual or legal entity that
15 has otherwise exceeded the applicable max-
16 imum payment limitation.

17 “(4) 4 LEVELS OF ATTRIBUTION FOR EMBED-
18 DED LEGAL ENTITIES.—

19 “(A) IN GENERAL.—Attribution of pay-
20 ments made to legal entities shall be traced
21 through 4 levels of ownership in legal entities.

22 “(B) FIRST LEVEL.—Any payments made
23 to a legal entity (a first-tier legal entity) that
24 is owned in whole or in part by a person shall
25 be attributed to the person in an amount that

1 represents the direct ownership in the first-tier
2 legal entity by the person.

3 “(C) SECOND LEVEL.—

4 “(i) IN GENERAL.—Any payments
5 made to a first-tier legal entity that is
6 owned (in whole or in part) by another
7 legal entity (a second-tier legal entity)
8 shall be attributed to the second-tier legal
9 entity in proportion to the ownership of the
10 second-tier legal entity in the first-tier
11 legal entity.

12 “(ii) OWNERSHIP BY A PERSON.—If
13 the second-tier legal entity is owned (in
14 whole or in part) by a person, the amount
15 of the payment made to the first-tier legal
16 entity shall be attributed to the person in
17 the amount that represents the indirect
18 ownership in the first-tier legal entity by
19 the person.

20 “(D) THIRD AND FOURTH LEVELS.—

21 “(i) IN GENERAL.—Except as pro-
22 vided in clause (ii), the Secretary shall at-
23 tribute payments at the third and fourth
24 tiers of ownership in the same manner as
25 specified in subparagraph (C).

1 “(ii) FOURTH-TIER OWNERSHIP.—If
2 the fourth-tier of ownership is that of a
3 fourth-tier legal entity and not that of a
4 person, the Secretary shall reduce the
5 amount of the payment to be made to the
6 first-tier legal entity in the amount that
7 represents the indirect ownership in the
8 first-tier legal entity by the fourth-tier
9 legal entity.

10 “(f) SPECIAL RULES.—

11 “(1) MINOR CHILDREN.—

12 “(A) IN GENERAL.—Except as provided in
13 subparagraph (B), payments received by a child
14 under the age of 18 shall be attributed to the
15 parents of the child.

16 “(B) REGULATIONS.—The Secretary shall
17 issue regulations specifying the conditions
18 under which payments received by a child under
19 the age of 18 will not be attributed to the par-
20 ents of the child.

21 “(2) MARKETING COOPERATIVES.—Subsections
22 (b) and (c) shall not apply to a cooperative associa-
23 tion of producers with respect to commodities pro-
24 duced by the members of the association that are
25 marketed by the association on behalf of the mem-

1 bers of the association but shall apply to the pro-
2 ducers as persons.

3 “(3) TRUSTS AND ESTATES.—

4 “(A) IN GENERAL.—With respect to irrev-
5 ocable trusts and estates, the Secretary shall
6 administer this section through section 1001F
7 in such manner as the Secretary determines will
8 ensure the fair and equitable treatment of the
9 beneficiaries of the trusts and estates.

10 “(B) IRREVOCABLE TRUST.—

11 “(i) IN GENERAL.—In order for a
12 trust to be considered an irrevocable trust,
13 the terms of the trust agreement shall
14 not—

15 “(I) allow for modification or ter-
16 mination of the trust by the grantor;

17 “(II) allow for the grantor to
18 have any future, contingent, or re-
19 mainder interest in the corpus of the
20 trust; or

21 “(III) except as provided in
22 clause (ii), provide for the transfer of
23 the corpus of the trust to the remain-
24 der beneficiary in less than 20 years

1 beginning on the date the trust is es-
2 tablished.

3 “(ii) EXCEPTION.—Clause (i)(III)
4 shall not apply in a case in which the
5 transfer is—

6 “(I) contingent on the remainder
7 beneficiary achieving at least the age
8 of majority; or

9 “(II) is contingent on the death
10 of the grantor or income beneficiary.

11 “(C) REVOCABLE TRUST.—For the pur-
12 poses of this section through section 1001F, a
13 revocable trust shall be considered to be the
14 same person as the grantor of the trust.

15 “(4) CASH RENT TENANTS.—

16 “(A) DEFINITION.—In this paragraph, the
17 term ‘cash rent tenant’ means a person or legal
18 entity that rents land—

19 “(i) for cash; or

20 “(ii) for a crop share guaranteed as to
21 the amount of the commodity to be paid in
22 rent.

23 “(B) RESTRICTION.—A cash rent tenant
24 who makes a significant contribution of active
25 personal management, but not of personal

1 labor, with respect to a farming operation shall
2 be eligible to receive a payment described in
3 subsection (b) or (c) only if the tenant makes
4 a significant contribution of equipment to the
5 farming operation.

6 “(5) FEDERAL AGENCIES.—

7 “(A) IN GENERAL.—A Federal agency
8 shall not be eligible to receive any payment de-
9 scribed in subsection (b) or (c).

10 “(B) LAND RENTAL.—A lessee of land
11 owned by a Federal agency may receive a pay-
12 ment described in subsection (b) or (c) if the
13 lessee otherwise meets all applicable criteria.

14 “(6) STATE AND LOCAL GOVERNMENTS.—

15 “(A) IN GENERAL.—Except as provided in
16 subsection (g), a State or local government, or
17 political subdivision or agency of the govern-
18 ment, shall not be eligible to receive a payment
19 described in subsection (b) or (c).

20 “(B) TENANTS.—A lessee of land owned
21 by a State or local government, or political sub-
22 division or agency of the government, may re-
23 ceive payments described in subsections (b) and
24 (c) if the lessee otherwise meet all applicable
25 criteria.

1 “(7) CHANGES IN FARMING OPERATIONS.—

2 “(A) IN GENERAL.—In the administration
3 of this section through section 1001F, the Sec-
4 retary may not approve any change in a farm-
5 ing operation that otherwise will increase the
6 number of persons to which the limitations
7 under this section are applied unless the Sec-
8 retary determines that the change is bona fide
9 and substantive.

10 “(B) FAMILY MEMBERS.—The addition of
11 a family member to a farming operation under
12 the criteria set out in section 1001A shall be
13 considered a bona fide and substantive change
14 in the farming operation.

15 “(8) DEATH OF OWNER.—

16 “(A) IN GENERAL.—If any ownership in-
17 terest in land or a commodity is transferred as
18 the result of the death of a program partici-
19 pant, the new owner of the land or commodity
20 may, if the person is otherwise eligible to par-
21 ticipate in the applicable program, succeed to
22 the contract of the prior owner and receive pay-
23 ments subject to this section without regard to
24 the amount of payments received by the new
25 owner.

1 “(B) LIMITATIONS ON PRIOR OWNER.—
2 Payments made under this paragraph shall not
3 exceed the amount to which the previous owner
4 was entitled to receive under the terms of the
5 contract at the time of the death of the prior
6 owner.”.

7 (c) REPEAL OF 3-ENTITY RULE.—Section 1001A of
8 the Food Security Act of 1985 (7 U.S.C. 1308-1) is
9 amended—

10 (1) in the section heading, by striking “**PRE-**
11 **VENTION OF CREATION OF ENTITIES TO QUAL-**
12 **IFY AS SEPARATE PERSONS**” and inserting “**NO-**
13 **TIFICATION OF INTERESTS**”; and

14 (2) by striking subsection (a) and inserting the
15 following:

16 “(a) NOTIFICATION OF INTERESTS.—To facilitate
17 administration of section 1001 and this section, each per-
18 son or legal entity receiving payments described in sub-
19 sections (b) and (c) of section 1001 as a separate person
20 or legal entity shall separately provide to the Secretary,
21 at such times and in such manner as prescribed by the
22 Secretary—

23 “(1) the name and social security number of
24 each individual, or the name and taxpayer identifica-
25 tion number of each legal entity, that holds or ac-

1 quires an ownership interest in the separate person
2 or legal entity; and

3 “(2) the name and taxpayer identification num-
4 ber of each legal entity in which the person or legal
5 entity holds an ownership interest.”.

6 (d) AMENDMENT FOR CONSISTENCY.—Section
7 1001A of the Food Security Act of 1985 (7 U.S.C. 1308-
8 1) is amended by striking subsection (b) and inserting the
9 following:

10 “(b) ACTIVELY ENGAGED.—

11 “(1) IN GENERAL.—To be eligible to receive a
12 payment described in subsection (b) or (c) of section
13 1001, a person or legal entity shall be actively en-
14 gaged in farming with respect to a farming oper-
15 ation as provided in this subsection or subsection
16 (c).

17 “(2) CLASSES ACTIVELY ENGAGED.—Except as
18 provided in subsections (c) and (d)—

19 “(A) a person (including a person partici-
20 pating in a farming operation as a partner in
21 a general partnership, a participant in a joint
22 venture, a grantor of a revocable trust, or a
23 participant in a similar entity, as determined by
24 the Secretary) shall be considered to be actively

1 engaged in farming with respect to a farming
2 operation if—

3 “(i) the person makes a significant
4 contribution (based on the total value of
5 the farming operation) to the farming op-
6 eration of—

7 “(I) capital, equipment, or land;
8 and

9 “(II) personal labor or active per-
10 sonal management;

11 “(ii) the person’s share of the profits
12 or losses from the farming operation is
13 commensurate with the contributions of
14 the person to the farming operation; and

15 “(iii) the contributions of the person
16 are at risk;

17 “(B) a legal entity that is a corporation,
18 joint stock company, association, limited part-
19 nership, charitable organization, or other simi-
20 lar entity determined by the Secretary (includ-
21 ing any such legal entity participating in the
22 farming operation as a partner in a general
23 partnership, a participant in a joint venture, a
24 grantor of a revocable trust, or as a participant
25 in a similar legal entity as determined by the

1 Secretary) shall be considered as actively en-
2 gaged in farming with respect to a farming op-
3 eration if—

4 “(i) the legal entity separately makes
5 a significant contribution (based on the
6 total value of the farming operation) of
7 capital, equipment, or land;

8 “(ii) the stockholders or members col-
9 lectively make a significant contribution of
10 personal labor or active personal manage-
11 ment to the operation; and

12 “(iii) the standards provided in
13 clauses (ii) and (iii) of subparagraph (A),
14 as applied to the legal entity, are met by
15 the legal entity;

16 “(C) if a legal entity that is a general part-
17 nership, joint venture, or similar entity, as de-
18 termined by the Secretary, separately makes a
19 significant contribution (based on the total
20 value of the farming operation involved) of cap-
21 ital, equipment, or land, and the standards pro-
22 vided in clauses (ii) and (iii) of subparagraph
23 (A), as applied to the legal entity, are met by
24 the legal entity, the partners or members mak-
25 ing a significant contribution of personal labor

1 or active personal management shall be consid-
2 ered to be actively engaged in farming with re-
3 spect to the farming operation involved; and

4 “(D) in making determinations under this
5 subsection regarding equipment and personal
6 labor, the Secretary shall take into consider-
7 ation the equipment and personal labor nor-
8 mally and customarily provided by farm opera-
9 tors in the area involved to produce program
10 crops.

11 “(c) SPECIAL CLASSES ACTIVELY ENGAGED.—

12 “(1) LANDOWNER.—A person or legal entity
13 that is a landowner contributing the owned land to
14 a farming operation shall be considered to be ac-
15 tively engaged in farming with respect to the farm-
16 ing operation if—

17 “(A) the landowner receives rent or income
18 for the use of the land based on the production
19 on the land or the operating results of the oper-
20 ation; and

21 “(B) the person or legal entity meets the
22 standards provided in clauses (ii) and (iii) of
23 subsection (b)(2)(A).

24 “(2) ADULT FAMILY MEMBER.—If a majority of
25 the participants in a farming operation are family

1 members, an adult family member shall be consid-
2 ered to be actively engaged in farming with respect
3 to the farming operation if the person—

4 “(A) makes a significant contribution,
5 based on the total value of the farming oper-
6 ation, of active personal management or per-
7 sonal labor; and

8 “(B) with respect to such contribution,
9 meets the standards provided in clauses (ii) and
10 (iii) of subsection (b)(2)(A).

11 “(3) SHARECROPPER.—A sharecropper who
12 makes a significant contribution of personal labor to
13 a farming operation shall be considered to be ac-
14 tively engaged in farming with respect to the farm-
15 ing operation if the contribution meets the standards
16 provided in clauses (ii) and (iii) of subsection
17 (b)(2)(A).

18 “(4) GROWERS OF HYBRID SEED.—In deter-
19 mining whether a person or legal entity growing hy-
20 brid seed under contract shall be considered to be
21 actively engaged in farming, the Secretary shall not
22 take into consideration the existence of a hybrid seed
23 contract.

24 “(5) CUSTOM FARMING SERVICES.—

1 “(A) IN GENERAL.—A person or legal enti-
2 ty receiving custom farming services shall be
3 considered separately eligible for payment limi-
4 tation purposes if the person or legal entity is
5 actively engaged in farming based on subsection
6 (b)(2) or paragraphs (1) through (4) of this
7 subsection.

8 “(B) PROHIBITION.—No other rules with
9 respect to custom farming shall apply.

10 “(6) SPOUSE.—If 1 spouse (or estate of a de-
11 ceased spouse) is determined to be actively engaged,
12 the other spouse shall be determined to have met the
13 requirements of subsection (b)(2)(A)(i)(II).

14 “(d) CLASSES NOT ACTIVELY ENGAGED.—

15 “(1) CASH RENT LANDLORD.—A landlord con-
16 tributing land to a farming operation shall not be
17 considered to be actively engaged in farming with re-
18 spect to the farming operation if the landlord re-
19 ceives cash rent, or a crop share guaranteed as to
20 the amount of the commodity to be paid in rent, for
21 the use of the land.

22 “(2) OTHER PERSONS AND LEGAL ENTITIES.—
23 Any other person or legal entity that the Secretary
24 determines does not meet the standards described in
25 subsections (b)(2) and (c) shall not be considered to

1 be actively engaged in farming with respect to a
2 farming operation.”.

3 (e) DENIAL OF PROGRAM BENEFITS.—Section
4 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–
5 2) is amended to read as follows:

6 **“SEC. 1001B. DENIAL OF PROGRAM BENEFITS.**

7 “(a) 2-YEAR DENIAL OF PROGRAM BENEFITS.—A
8 person or legal entity shall be ineligible to receive pay-
9 ments specified in subsections (b) and (c) of section 1001
10 for the crop year, and the succeeding crop year, in which
11 the Secretary determines that the person or legal entity—

12 “(1) failed to comply with section 1001A(b) and
13 adopted or participated in adopting a scheme or de-
14 vice to evade the application of section 1001, 1001A,
15 or 1001C; or

16 “(2) intentionally concealed the interest of the
17 person or legal entity in any farm or legal entity en-
18 gaged in farming.

19 “(b) EXTENDED INELIGIBILITY.—If the Secretary
20 determines that a person or legal entity, for the benefit
21 of the person or legal entity or the benefit of any other
22 person or legal entity, has knowingly engaged in, or aided
23 in the creation of a fraudulent document, presented false
24 information that was material and relevant to the adminis-
25 tration of sections 1001 through 1001F, or committed

1 other equally serious actions (as identified in regulations
2 issued by the Secretary), the Secretary may for a period
3 not to exceed 5 crop years deny the issuance of payments
4 to the person or legal entity.

5 “(c) PRO RATA DENIAL.—

6 “(1) IN GENERAL.—Payments otherwise owed
7 to a person or legal entity described in subsections
8 (a) or (b) shall be denied in a pro rata manner
9 based on the ownership interest of the person or
10 legal entity in a farm.

11 “(2) CASH RENT TENANT.—Payments other-
12 wise payable to the person or legal entity described
13 in subsection (a) or (b) who is a cash rent tenant
14 on a farm owned or under the control of the person
15 or legal entity shall be denied.

16 “(d) JOINT AND SEVERAL LIABILITY.—Any member
17 of any legal entity (including partnerships and joint ven-
18 tures) determined to have knowingly participated in a
19 scheme or device to evade, or that has the purpose of evad-
20 ing, sections 1001, 1001A, or 1001C shall be jointly and
21 severally liable for any amounts that are payable to the
22 Secretary as the result of the scheme or device (including
23 amounts necessary to recover those amounts).

24 “(e) RELEASE.—The Secretary may partially or fully
25 release from liability any person or legal entity who co-

1 operates with the Secretary in enforcing sections 1001,
2 1001A, and 1001C, and this section.”.

3 (f) CONFORMING AMENDMENTS.—

4 (1) Section 1009(e) of the Food Security Act of
5 1985 (7 U.S.C. 1308a(e)) is amended in the second
6 sentence by striking “of \$50,000”.

7 (2) Section 609(b)(1) of the Emergency Live-
8 stock Feed Assistance Act of 1988 (7 U.S.C.
9 1471g(b)(1)) is amended by inserting “(before the
10 amendment made by section 1703(a) of the Food
11 and Energy Security Act of 2007)” after “1985”.

12 (3) Section 524(b)(3) of the Federal Crop In-
13 surance Act (7 U.S.C. 1524(b)(3)) is amended by
14 inserting “(before the amendment made by section
15 1703(a) of the Food and Energy Security Act of
16 2007)” after “1308(5))”.

17 (4) Section 196(i) of the Federal Agriculture
18 Improvement and Reform Act of 1996 (7 U.S.C.
19 7333(i)) is amended in paragraphs (1)(A) and (5)
20 by inserting “(before the amendment made by sec-
21 tion 1703(a) of the Food and Energy Security Act
22 of 2007)” after “1308)” each place it appears.

23 (5) Section 10204(c)(1) of the Farm Security
24 and Rural Investment Act of 2002 (7 U.S.C.
25 8204(c)(1)) is amended by inserting “(before the

1 amendment made by section 1703(a) of the Food
2 and Energy Security Act of 2007)” after “1308”).

3 (6) Section 1271(c)(3)(A) of the Food, Agri-
4 culture, Conservation, and Trade Act of 1990 (16
5 U.S.C. 2106a(c)(3)(A)) is amended by inserting
6 “(before the amendment made by section 1703(a) of
7 the Food and Energy Security Act of 2007)” after
8 “1308”).

9 (7) Section 291(2) of the Trade Act of 1974
10 (19 U.S.C. 2401(2) is amended by inserting “(before
11 the amendment made by section 1703(a) of the
12 Food and Energy Security Act of 2007)” before the
13 period at the end.

14 (g) TRANSITION.—Section 1001, 1001A, and 1001B
15 of the Food Security Act of 1985 (7 U.S.C. 1308, 1308–
16 1, 1308–2), as in effect on the day before the date of the
17 enactment of this Act, shall continue to apply with respect
18 to the 2007 crop of any covered commodity or peanuts.

19 **SEC. 1704. ADJUSTED GROSS INCOME LIMITATION.**

20 (a) EXTENSION OF ADJUSTED GROSS INCOME LIM-
21 ITATION.—Section 1001D(e) of the Food Security Act of
22 1985 (7 U.S.C. 1308-3a(e)) is amended by striking
23 “2007” and inserting “2012”.

1 (b) ALLOCATION OF INCOME.—Section 1001D(a) of
2 the Food Security Act of 1985 (7 U.S.C. 1308-3a(a)) is
3 amended by adding at the end the following:

4 “(3) ALLOCATION OF INCOME.—On the request
5 of any individual filing a joint tax return, the Sec-
6 retary shall provide for the allocation of adjusted
7 gross income among the individuals filing the return
8 based on a certified statement provided by a cer-
9 tified public accountant or attorney specifying the
10 manner in which the income would have been de-
11 clared and reported if the individuals had filed 2
12 separate returns, if the Secretary determines that
13 the calculation is consistent with the information
14 supporting the filed joint return.”.

15 (c) MODIFICATION OF LIMITATION.—Section 1001D
16 of the Food Security Act of 1985 (7 U.S.C. 1308-3a) is
17 amended by striking subsection (b) and inserting the fol-
18 lowing:

19 “(b) LIMITATION.—

20 “(1) CROP YEARS.—

21 “(A) 2009 CROP YEAR.—Notwithstanding
22 any other provision of law, an individual or en-
23 tity shall not be eligible to receive any benefit
24 described in paragraph (2)(A) during the 2009
25 crop year if the average adjusted gross income

1 of the individual or entity exceeds \$1,000,000,
2 unless not less than 66.66 percent of the aver-
3 age adjusted gross income of the individual or
4 entity is derived from farming, ranching, or for-
5 estry operations, as determined by the Sec-
6 retary.

7 “(B) 2010 AND SUBSEQUENT CROP
8 YEARS.—Notwithstanding any other provision
9 of law, an individual or entity shall not be eligi-
10 ble to receive any benefit described in para-
11 graph (2)(A) during any of the 2010 and subse-
12 quent crop years if the average adjusted gross
13 income of the individual or entity exceeds
14 \$750,000, unless not less than 66.66 percent of
15 the average adjusted gross income of the indi-
16 vidual or entity is derived from farming, ranch-
17 ing, or forestry operations, as determined by
18 the Secretary.

19 “(C) CONSERVATION PROGRAMS.—Not-
20 withstanding any other provision of law, an in-
21 dividual or entity shall not be eligible to receive
22 any benefit described in paragraph (2)(B) dur-
23 ing a crop year if the average adjusted gross in-
24 come of the individual or entity exceeds
25 \$2,500,000, unless not less than 75 percent of

1 the average adjusted gross income of the indi-
2 vidual or entity is derived from farming, ranch-
3 ing, or forestry operations, as determined by
4 the Secretary.

5 “(2) COVERED BENEFITS.—

6 “(A) IN GENERAL.—Subparagraphs (A)
7 and (B) of paragraph (1) apply with respect to
8 the following:

9 “(i) A direct payment or counter-cycli-
10 cal payment under part I or III of subtitle
11 A of title I of the Food and Energy Secu-
12 rity Act of 2007.

13 “(ii) A marketing loan gain or loan
14 deficiency payment under part II or III of
15 subtitle A of title I of the Food and En-
16 ergy Security Act of 2007.

17 “(iii) An average crop revenue pay-
18 ment under subtitle B of title I of Food
19 and Energy Security Act of 2007.

20 “(B) CONSERVATION PROGRAMS.—Para-
21 graph (1)(C) applies with respect to a payment
22 under any program under—

23 “(i) title XII of this Act;

1 “(ii) title II of the Farm Security and
2 Rural Investment Act of 2002 (Public Law
3 107–171; 116 Stat. 223); or

4 “(iii) title II of the Food and Energy
5 Security Act of 2007.

6 “(3) INCOME DERIVED FROM FARMING, RANCH-
7 ING OR FORESTRY OPERATIONS.—In determining
8 what portion of the average adjusted gross income of
9 an individual or entity is derived from farming,
10 ranching, or forestry operations, the Secretary shall
11 include income derived from—

12 “(A) the production of crops, livestock, or
13 unfinished raw forestry products;

14 “(B) the sale, including the sale of ease-
15 ments and development rights, of farm, ranch,
16 or forestry land or water or hunting rights;

17 “(C) the sale of equipment to conduct
18 farm, ranch, or forestry operations;

19 “(D) the rental or lease of land used for
20 farming, ranching, or forestry operations, in-
21 cluding water or hunting rights;

22 “(E) the provision of production inputs
23 and services to farmers, ranchers, and foresters;

1 “(F) the processing (including packing),
2 storing (including shedding), and transporting
3 of farm, ranch, and forestry commodities;

4 “(G) the sale of land that has been used
5 for agriculture; and

6 “(H) payments or other income attrib-
7 utable to benefits received under any program
8 authorized under title I or II of the Food and
9 Energy Security Act of 2007.”.

10 (d) **TRANSITION.**—Section 1001D of the Food Secu-
11 rity Act of 1985 (7 U.S.C. 1308–3a), as in effect on the
12 day before the date of the enactment of this Act, shall
13 continue to apply with respect to the 2007 and 2008 crops
14 of any covered commodity or peanuts.

15 **SEC. 1705. AVAILABILITY OF QUALITY INCENTIVE PAY-**
16 **MENTS FOR CERTAIN PRODUCERS.**

17 (a) **INCENTIVE PAYMENTS REQUIRED.**—Subject to
18 subsection (b), the Secretary shall use funds made avail-
19 able under subsection (f) to provide quality incentive pay-
20 ments for the production of oilseeds with specialized traits
21 that enhance human health, as determined by the Sec-
22 retary.

23 (b) **COVERED OILSEEDS.**—The Secretary shall make
24 payments under this section only for the production of an
25 oilseed variety that has, as determined by the Secretary—

1 (1) been demonstrated to improve the health
2 profile of the oilseed for use in human consumption
3 by—

4 (A) reducing or eliminating the need to
5 partially hydrogenate the oil derived from the
6 oilseed for use in human consumption; or

7 (B) adopting new technology traits; and

8 (2) 1 or more impediments to commercializa-
9 tion.

10 (c) REQUEST FOR PROPOSALS.—

11 (1) ISSUANCE.—If funds are made available to
12 carry out this section for a crop year, the Secretary
13 shall issue a request for proposals for payments
14 under this section.

15 (2) MULTIYEAR PROPOSALS.—An entity may
16 submit a multiyear proposal for payments under this
17 section.

18 (3) CONTENT OF PROPOSALS.—A proposal for
19 payments under this section shall include a descrip-
20 tion of—

21 (A) each oilseed variety described in sub-
22 section (b) and the value of the oilseed variety
23 as a matter of public policy;

1 (B) a range for the amount of total per
2 bushel or hundredweight premiums to be paid
3 to producers;

4 (C) a per bushel or hundredweight amount
5 of incentive payments requested for each year
6 under this section that does not exceed $\frac{1}{3}$ of
7 the total premium offered for any year;

8 (D) the period of time, not to exceed 4
9 years, during which incentive payments are to
10 be provided to producers; and

11 (E) the targeted total quantity of produc-
12 tion and estimated acres needed to produce the
13 targeted quantity for each year under this sec-
14 tion.

15 (d) CONTRACTS FOR PRODUCTION.—

16 (1) IN GENERAL.—The Secretary shall approve
17 successful proposals submitted under subsection (c)
18 on a timely basis so as to allow production contracts
19 to be entered into with producers in advance of the
20 spring planting season for the 2009 crop year.

21 (2) TIMING OF PAYMENTS.—The Secretary
22 shall make payments to producers under this section
23 after the Secretary receives documentation that the
24 premium required under a contract has been made
25 to covered producers.

1 (e) ADMINISTRATION.—If funding provided for a crop
2 year is not fully allocated under the initial request for pro-
3 posals under subsection (c), the Secretary shall issue addi-
4 tional requests for proposals for subsequent crop years
5 under this section.

6 (f) PROPRIETARY INFORMATION.—The Secretary
7 shall protect proprietary information provided to the Sec-
8 retary for the purpose of administering this section.

9 (g) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to carry out this section
11 \$400,000,000 for the period of fiscal years 2008 through
12 2012.

13 **SEC. 1706. HARD WHITE WHEAT DEVELOPMENT PROGRAM.**

14 (a) DEFINITIONS.—In this section:

15 (1) ELIGIBLE HARD WHITE WHEAT SEED.—The
16 term “eligible hard white wheat seed” means hard
17 white wheat seed that, as determined by the Sec-
18 retary, is—

19 (A) certified;

20 (B) of a variety that is suitable for the
21 State in which the seed will be planted;

22 (C) rated at least superior with respect to
23 quality; and

24 (D) specifically approved under a seed es-
25 tablishment program established by the State

1 Department of Agriculture and the State Wheat
2 Commission of the 1 or more States in which
3 the seed will be planted.

4 (2) PROGRAM.—The term “program” means
5 the hard white wheat development program estab-
6 lished under subsection (b)(1).

7 (3) SECRETARY.—The term “Secretary” means
8 the Secretary of Agriculture, in consultation with the
9 State Departments of Agriculture and the State
10 Wheat Commissions of the States in regions in
11 which hard white wheat is produced, as determined
12 by the Secretary.

13 (b) ESTABLISHMENT.—

14 (1) IN GENERAL.—The Secretary shall establish
15 a hard white wheat development program in accord-
16 ance with paragraph (2) to promote the establish-
17 ment of hard white wheat as a viable market class
18 of wheat in the United States by encouraging pro-
19 duction of at least 240,000,000 bushels of hard
20 white wheat by 2012.

21 (2) PAYMENTS.—

22 (A) IN GENERAL.—Subject to subpara-
23 graphs (B) and (C) and subsection (c), the Sec-
24 retary shall make available incentive payments

1 to producers of each of the 2008 through 2012
2 crops of hard white wheat.

3 (B) ACREAGE LIMITATION.—The Secretary
4 shall carry out subparagraph (A) subject to a
5 regional limitation determined by the Secretary
6 on the number of acres for which payments
7 may be received that takes into account plant-
8 ing history and potential planting, but does not
9 exceed a total of 2,900,000 acres or the equiva-
10 lent volume of production based on a yield of 50
11 bushels per acre.

12 (C) PAYMENT LIMITATIONS.—Payments to
13 producers on a farm described in subparagraph
14 (A) shall be—

15 (i) in an amount that is not less than
16 \$0.20 per bushel; and

17 (ii) in an amount that is not less than
18 \$2.00 per acre for planting eligible hard
19 white wheat seed.

20 (c) FUNDING.—The Secretary shall make available
21 \$35,000,000 of funds of the Commodity Credit Corpora-
22 tion during the period of crop years 2008 through 2012
23 to provide incentive payments to producers of hard white
24 wheat under this section.

1 **SEC. 1707. DURUM WHEAT QUALITY PROGRAM.**

2 (a) IN GENERAL.—Subject to the availability of
3 funds under subsection (c), the Secretary shall provide
4 compensation to producers of durum wheat in an amount
5 not to exceed 50 percent of the actual cost of fungicides
6 applied to a crop of durum wheat of the producers to con-
7 trol Fusarium head blight (wheat scab) on acres certified
8 to have been planted to Durum wheat in a crop year.

9 (b) INSUFFICIENT FUNDS.—If the total amount of
10 funds appropriated for a fiscal year under subsection (c)
11 are insufficient to fulfill all eligible requests for compensa-
12 tion under this section, the Secretary shall prorate the
13 compensation payments in a manner determined by the
14 Secretary to be equitable.

15 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
16 authorized to be appropriated to carry out this section
17 \$10,000,000 for each of fiscal years 2008 through 2012.

18 **SEC. 1708. STORAGE FACILITY LOANS.**

19 (a) IN GENERAL.—As soon as practicable after the
20 date of enactment of this Act, the Secretary shall establish
21 a storage facility loan program to provide funds for pro-
22 ducers of grains, oilseeds, pulse crops, hay, renewable bio-
23 mass, and other storable commodities (other than sugar),
24 as determined by the Secretary, to construct or upgrade
25 storage and handling facilities for the commodities.

1 (b) ELIGIBLE PRODUCERS.—A storage facility loan
2 under this section shall be made available to any producer
3 described in subsection (a) that, as determined by the Sec-
4 retary—

5 (1) has a satisfactory credit history;

6 (2) has a need for increased storage capacity;

7 and

8 (3) demonstrates an ability to repay the loan.

9 (c) TERM OF LOANS.—A storage facility loan under
10 this section shall have a maximum term of 12 years.

11 (d) LOAN AMOUNT.—The maximum principal
12 amount of a storage facility loan under this section shall
13 be \$500,000.

14 (e) LOAN DISBURSEMENTS.—The Secretary shall
15 provide for partial disbursements of loan principal, as de-
16 termined to be appropriate and subject to acceptable docu-
17 mentation, to facilitate the purchase and construction of
18 eligible facilities.

19 (f) LOAN SECURITY.—Approval of a storage facility
20 loan under this section shall—

21 (1) for loan amounts of less than \$150,000, not
22 require a lien on the real estate parcel on which the
23 storage facility is locate;

24 (2) for loan amounts equal to or more than
25 \$150,000, not require a severance agreement from

1 the holder of any prior lien on the real estate parcel
2 on which the storage facility is located, if the bor-
3 rower—

4 (A) agrees to increase the down payment
5 on the storage facility loan by an amount deter-
6 mined appropriate by the Secretary; or

7 (B) provides other security acceptable to
8 the Secretary; and

9 (3) allow a borrower, upon the approval of the
10 Secretary, to define a subparcel of real estate as se-
11 curity for the storage facility loan if the subparcel
12 is—

13 (A) of adequate size and value to ade-
14 quately secure the loan; and

15 (B) not subject to any other liens or mort-
16 gages that are superior to the lien interest of
17 the Commodity Credit Corporation.

18 **SEC. 1709. PERSONAL LIABILITY OF PRODUCERS FOR DEFICI-
19 CIENCIES.**

20 Section 164 of the Federal Agriculture Improvement
21 and Reform Act of 1996 (7 U.S.C. 7284) is amended by
22 striking “and title I of the Farm Security and Rural In-
23 vestment Act of 2002” each place it appears and inserting
24 “title I of the Farm Security and Rural Investment Act

1 of 2002, and title I of the Food and Energy Security Act
2 of 2007”.

3 **SEC. 1710. EXTENSION OF EXISTING ADMINISTRATIVE AU-**
4 **THORITY REGARDING LOANS.**

5 Section 166 of the Federal Agriculture Improvement
6 and Reform Act of 1996 (7 U.S.C. 7286) is amended in
7 subsections (a) and (c)(1) by striking “and subtitle B and
8 C of title I of the Farm Security and Rural Investment
9 Act of 2002” each place it appears and inserting “title
10 I of the Farm Security and Rural Investment Act of 2002,
11 and title I of the Food and Energy Security Act of 2007”.

12 **SEC. 1711. ASSIGNMENT OF PAYMENTS.**

13 (a) IN GENERAL.—The provisions of section 8(g) of
14 the Soil Conservation and Domestic Allotment Act (16
15 U.S.C. 590h(g)), relating to assignment of payments, shall
16 apply to payments made under the authority of subtitles
17 A through E and this subtitle.

18 (b) NOTICE.—The producer making the assignment,
19 or the assignee, shall provide the Secretary with notice,
20 in such manner as the Secretary may require, of any as-
21 signment made under this section.

22 **SEC. 1712. COTTON CLASSIFICATION SERVICES.**

23 Section 3a of the Act of March 3, 1927 (7 U.S.C.
24 473a), is amended to read as follows:

1 **“SEC. 3a. COTTON CLASSIFICATION SERVICES.**

2 “(a) IN GENERAL.—The Secretary of Agriculture
3 (referred to in this section as the ‘Secretary’) shall—

4 “(1) make cotton classification services avail-
5 able to producers of cotton; and

6 “(2) provide for the collection of classification
7 fees from participating producers or agents that vol-
8 untarily agree to collect and remit the fees on behalf
9 of producers.

10 “(b) USE OF FEES.—Classification fees collected
11 under subsection (a)(2) and the proceeds from the sales
12 of samples submitted under this section shall, to the max-
13 imum extent practicable, be used to pay the cost of the
14 services provided under this section, including administra-
15 tive and supervisory costs.

16 “(c) CONSULTATION.—

17 “(1) IN GENERAL.—In establishing the amount
18 of fees under this section, the Secretary shall consult
19 with representatives of the United States cotton in-
20 dustry.

21 “(2) EXEMPTION.—The Federal Advisory Com-
22 mittee Act (5 U.S.C. App.) shall not apply to con-
23 sultations with representatives of the United States
24 cotton industry under this section.

25 “(d) CREDITING OF FEES.—Any fees collected under
26 this section and under section 3d, late payment penalties,

1 the proceeds from the sales of samples, and interest
2 earned from the investment of such funds shall—

3 “(1) be credited to the current appropriation
4 account that incurs the cost of services provided
5 under this section and section 3d; and

6 “(2) remain available without fiscal year limita-
7 tion to pay the expenses of the Secretary in pro-
8 viding those services.

9 “(e) INVESTMENT OF FUNDS.—Funds described in
10 subsection (d) may be invested—

11 “(1) by the Secretary in insured or fully
12 collateralized, interest-bearing accounts; or

13 “(2) at the discretion of the Secretary, by the
14 Secretary of the Treasury in United States Govern-
15 ment debt instruments.

16 “(f) LEASE AGREEMENTS.—Notwithstanding any
17 other provision of law, the Secretary may enter into long-
18 term lease agreements that exceed 5 years or may take
19 title to property (including through purchase agreements)
20 for the purpose of obtaining offices to be used for the clas-
21 sification of cotton in accordance with this Act, if the Sec-
22 retary determines that action would best effectuate the
23 purposes of this Act.

24 “(g) AUTHORIZATION OF APPROPRIATIONS.—To the
25 extent that financing is not available from fees and the

1 proceeds from the sales of samples, there are authorized
2 to be appropriated such sums as are necessary to carry
3 out this section.”.

4 **SEC. 1713. DESIGNATION OF STATES FOR COTTON RE-**
5 **SEARCH AND PROMOTION.**

6 Section 17(f) of the Cotton Research and Promotion
7 Act (7 U.S.C. 2116(f)) is amended—

8 (1) by striking “(f) The term” and inserting
9 the following:

10 “(f) COTTON-PRODUCING STATE.—

11 “(1) IN GENERAL.—The term”;

12 (2) by striking “more, and the term” and all
13 that follows through the end of the subsection and
14 inserting the following: “more.

15 “(2) INCLUSIONS.—The term ‘cotton-producing
16 State’ includes—

17 “(A) any combination of States described
18 in paragraph (1); and

19 “(B) effective beginning with the 2008
20 crop of cotton, the States of Kansas, Virginia,
21 and Florida.”.

22 **SEC. 1714. GOVERNMENT PUBLICATION OF COTTON PRICE**
23 **FORECASTS.**

24 Section 15 of the Agricultural Marketing Act (12
25 U.S.C. 1141j) is amended—

1 (1) by striking subsection (d); and

2 (2) by redesignating subsections (e) through (g)

3 as subsections (d) through (f), respectively.

4 **SEC. 1715. STATE, COUNTY, AND AREA COMMITTEES.**

5 Section 8(b)(5)(B)(ii) of the Soil Conservation and

6 Domestic Allotment Act (16 U.S.C. 590h(b)(5)(B)(ii)) is

7 amended—

8 (1) by redesignating subclauses (I) and (II) as

9 items (aa) and (bb), respectively, and indenting ap-

10 propriately;

11 (2) in the matter preceding item (aa) (as redes-

12 ignated by paragraph (1)), by striking “A committee

13 established” and inserting the following:

14 “(I) IN GENERAL.—Except as

15 provided in subclause (II), a com-

16 mittee established”; and

17 (3) by adding at the end the following:

18 “(II) COMBINATION OR CONSOLI-

19 DATION OF AREAS.—A committee es-

20 tablished by combining or consoli-

21 dating 2 or more county or area com-

22 mittees shall consist of not fewer than

23 3 nor more than 11 members that—

24 “(aa) are fairly representa-

25 tive of the agricultural producers

1 within the area covered by the
2 county, area, or local committee;
3 and

4 “(bb) are elected by the ag-
5 ricultural producers that partici-
6 pate or cooperate in programs
7 administered within the area
8 under the jurisdiction of the
9 county, area, or local committee.

10 “(III) REPRESENTATION OF SO-
11 CIALY DISADVANTAGED FARMERS
12 AND RANCHERS.—The Secretary shall
13 ensure, to the extent practicable, that
14 representation of socially disadvan-
15 taged farmers and ranchers is main-
16 tained on combined or consolidated
17 committees.

18 “(IV) ELIGIBILITY FOR MEMBER-
19 SHIP.—Notwithstanding any other
20 producer eligibility requirements for
21 service on county or area committees,
22 if a county or area is consolidated or
23 combined, a producer shall be eligible
24 to serve only as a member of the
25 county or area committee that the

1 producer elects to administer the farm
2 records of the producer.”.

3 **SEC. 1716. PROHIBITION ON CHARGING CERTAIN FEES.**

4 Public Law 108–470 (7 U.S.C. 7416a) is amended—

5 (1) in subsection (a), by striking “may” and in-
6 serting “shall”; and

7 (2) by adding at the end the following:

8 “(c) PROHIBITION ON CHARGING CERTAIN FEES.—

9 The Secretary may not charge any fees or related costs
10 for the collection of commodity assessments pursuant to
11 this Act.”.

12 **SEC. 1717. SIGNATURE AUTHORITY.**

13 In carrying out this title and title II and amendments
14 made by those titles, if the Secretary approves a document
15 containing signatures of program applicants, the Sec-
16 retary shall not subsequently determine the document is
17 inadequate or invalid because of the lack of authority of
18 any applicant signing the document on behalf of the appli-
19 cant or any other individual, entity, general partnership,
20 or joint venture, or the documents relied upon were deter-
21 mined inadequate or invalid, unless the applicant know-
22 ingly and willfully falsified the evidence of signature au-
23 thority or a signature.

1 **SEC. 1718. MODERNIZATION OF FARM SERVICE AGENCY.**

2 The Secretary shall modernize the Farm Service
3 Agency information technology and communication sys-
4 tems to ensure timely and efficient program delivery at
5 national, State, and County offices.

6 **SEC. 1719. GEOSPATIAL SYSTEMS.**

7 (a) IN GENERAL.—The Secretary shall ensure that
8 all agencies of the Department of Agriculture consolidate
9 the geospatial systems of the agencies into a single enter-
10 prise system that ensures that geospatial data is
11 shareable, portable, and standardized.

12 (b) REQUIREMENTS.—In carrying out subsection (a),
13 the Secretary shall—

14 (1) identify common datasets;

15 (2) give responsibility for managing each identi-
16 fied dataset to the agency best suited for collecting
17 and maintaining that data, as determined by the
18 Secretary; and

19 (3) make every effort to minimize the duplica-
20 tion of efforts.

21 (c) AVAILABILITY OF DATA.—The Secretary shall en-
22 sure, to the maximum extent practicable, that data is
23 readily available to all agencies beginning not later than
24 2 years after the date of enactment of this Act.

1 **SEC. 1720. LEASING OFFICE SPACE.**

2 The Secretary may use the funds, facilities, and au-
3 thorities of the Commodity Credit Corporation to lease
4 space for use by agencies of the Department of Agri-
5 culture in cases in which office space would be jointly oc-
6 cupied by the agencies.

7 **SEC. 1721. REPEALS.**

8 (a) COMMISSION ON APPLICATION OF PAYMENT LIM-
9 ITATIONS.—Section 1605 of the Farm Security and Rural
10 Investment Act of 2002 (7 U.S.C. 7993) is repealed.

11 (b) RENEWED AVAILABILITY OF MARKET LOSS AS-
12 SISTANCE AND CERTAIN EMERGENCY ASSISTANCE TO
13 PERSONS THAT FAILED TO RECEIVE ASSISTANCE UNDER
14 EARLIER AUTHORITIES.—Section 1617 of the Farm Se-
15 curity and Rural Investment Act of 2002 (7 U.S.C. 8000)
16 is repealed.

17 **Subtitle F—Specialty Crop**
18 **Programs**

19 **SEC. 1801. DEFINITIONS.**

20 In this subtitle:

21 (1) SPECIALTY CROP.—The term “specialty
22 crop” has the meaning given the term in section 3
23 of the Specialty Crops Competitiveness Act of 2004
24 (7 U.S.C. 1621 note; Public Law 108–465).

25 (2) STATE.—The term “State” means each of
26 the several States of the United States.

1 (3) STATE DEPARTMENT OF AGRICULTURE.—

2 The term “State department of agriculture” means
3 the agency, commission, or department of a State
4 government responsible for protecting and promoting
5 agriculture in the State.

6 **PART I—MARKETING, INFORMATION, AND**
7 **EDUCATION**

8 **SEC. 1811. FRUIT AND VEGETABLE MARKET NEWS ALLOCA-**
9 **TION.**

10 (a) IN GENERAL.—The Secretary, acting through the
11 Administrator of the Agricultural Marketing Service, shall
12 carry out market news activities to provide timely price
13 information of United States fruits and vegetables in the
14 United States.

15 (b) AUTHORIZATION OF APPROPRIATIONS.—There is
16 authorized to be appropriated to carry out this section
17 \$9,000,000 for each of fiscal years 2008 through 2012,
18 to remain available until expended.

19 **SEC. 1812. FARMERS’ MARKET PROMOTION PROGRAM.**

20 Section 6 of the Farmer-to-Consumer Direct Mar-
21 keting Act of 1976 (7 U.S.C. 3005) is amended—

22 (1) in subsection (a), by inserting “and to pro-
23 mote direct producer-to-consumer marketing” before
24 the period at the end;

1 (2) in subsection (b)(1)(B), by striking “infra-
2 structure” and inserting “marketing opportunities”;

3 (3) in subsection (c)(1), by inserting “or a pro-
4 ducer network or association” after “cooperative”;
5 and

6 (4) by striking subsection (e) and inserting the
7 following:

8 “(e) FUNDING.—Of the funds of the Commodity
9 Credit Corporation, the Secretary shall use to carry out
10 this section—

11 “(1) \$5,000,000 for each of fiscal years 2008
12 through 2011; and

13 “(2) \$10,000,000 for fiscal year 2012.”.

14 **SEC. 1813. FOOD SAFETY INITIATIVES.**

15 (a) INITIATIVE AUTHORIZED.—The Secretary may
16 carry out a food safety education program to educate the
17 public and persons in the fresh produce industry about—

18 (1) scientifically proven practices for reducing
19 microbial pathogens on fresh produce; and

20 (2) methods of reducing the threat of cross-con-
21 tamination of fresh produce through unsanitary han-
22 dling practices.

23 (b) COOPERATION.—The Secretary may carry out the
24 education program in cooperation with public and private
25 partners.

1 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to the Secretary to carry
3 out this section \$1,000,000.

4 **SEC. 1814. CENSUS OF SPECIALTY CROPS.**

5 (a) ESTABLISHMENT.—Not later than September 30,
6 2008, and each 5 years thereafter, the Secretary shall con-
7 duct a census of specialty crops to assist in the regularly
8 development and dissemination of information relative to
9 specialty crops.

10 (b) RELATION TO OTHER CENSUS.—The Secretary
11 may include the census of specialty crops in the census
12 on agriculture.

13 **PART II—ORGANIC PRODUCTION**

14 **SEC. 1821. ORGANIC DATA COLLECTION AND PRICE RE-**
15 **PORTING.**

16 Section 2104 of the Organic Foods Production Act
17 of 1990 (7 U.S.C. 6503) is amended by adding at the end
18 the following:

19 “(e) DATA COLLECTION AND PRICE REPORTING.—
20 Of the funds of the Commodity Credit Corporation, the
21 Secretary shall use \$5,000,000 for the period of fiscal
22 years 2008 through 2012—

23 “(1) to collect data relating to organic agri-
24 culture;

1 “(2) to identify and publish organic production
2 and market data initiatives and surveys;

3 “(3) to expand, collect, and publish organic cen-
4 sus data analyses;

5 “(4) to fund comprehensive reporting of prices
6 relating to organically-produced agricultural prod-
7 ucts;

8 “(5) to conduct analysis relating to organic pro-
9 duction, handling, distribution, retail, and trend
10 studies;

11 “(6) to study and perform periodic updates on
12 the effects of organic standards on consumer behav-
13 ior; and

14 “(7) to conduct analyses for organic agriculture
15 using the national crop table.”.

16 **SEC. 1822. EXEMPTION OF CERTIFIED ORGANIC PRODUCTS**
17 **FROM ASSESSMENTS.**

18 Section 501(e) of the Federal Agriculture Improve-
19 ment and Reform Act of 1996 (7 U.S.C. 7401(e)) is
20 amended by striking paragraph (1) and inserting the fol-
21 lowing:

22 “(1) IN GENERAL.—Notwithstanding any provi-
23 sion of a commodity promotion law, a person that
24 produces and markets organic products shall be ex-
25 empt from the payment of an assessment under a

1 commodity promotion law with respect to that por-
2 tion of agricultural commodities that the person—

3 “(A) produces on a certified organic farm
4 (as defined in section 2103 of the Organic
5 Foods Production Act of 1990 (7 U.S.C. 6502);
6 and

7 “(B) produces or markets as organically
8 produced (as so defined).”.

9 **SEC. 1823. NATIONAL ORGANIC CERTIFICATION COST**
10 **SHARE PROGRAM.**

11 Section 10606 of the Farm Security and Rural In-
12 vestment Act of 2002 (7 U.S.C. 6523) is amended to read
13 as follows:

14 **“SEC. 10606. NATIONAL ORGANIC CERTIFICATION COST-**
15 **SHARE PROGRAM.**

16 “(a) DEFINITIONS.—In this section:

17 “(1) PROGRAM.—The term ‘program’ means
18 the national certification cost-share program estab-
19 lished under subsection (b).

20 “(2) SECRETARY.—The term ‘Secretary’ means
21 the Secretary of Agriculture, acting through the Ag-
22 ricultural Marketing Service.

23 “(b) ESTABLISHMENT.—The Secretary shall use
24 amounts made available under subsection (f) to establish
25 a national organic certification cost-share program under

1 which the Secretary shall make payments to States to as-
2 sist producers and handlers of agricultural products in ob-
3 taining certification under the national organic production
4 program established under the Organic Foods Production
5 Act of 1990 (7 U.S.C. 6501 et seq.).

6 “(c) FEDERAL SHARE.—

7 “(1) IN GENERAL.—Subject to paragraph (2),
8 the Secretary shall pay under this section not more
9 than 75 percent of the costs incurred by a producer
10 or handler in obtaining certification under the na-
11 tional organic production program, as certified to
12 and approved by the Secretary.

13 “(2) MAXIMUM AMOUNT.—The maximum
14 amount of a payment made to a producer or handler
15 under this section shall be \$750.

16 “(d) RECORDKEEPING REQUIREMENTS.—

17 “(1) IN GENERAL.—The Secretary shall—

18 “(A) keep accurate, up-to-date records of
19 requests and disbursements from the program;
20 and

21 “(B) require accurate and consistent rec-
22 ordkeeping from each State and entity that re-
23 ceives program payments.

24 “(2) FEDERAL REQUIREMENTS.—Not later
25 than 30 days after the last day on which a State

1 may request funding under the program, the Sec-
2 retary shall—

3 “(A) determine the number of States re-
4 questing funding and the amount of each re-
5 quest; and

6 “(B) distribute the funding to the States.

7 “(3) STATE REQUIREMENTS.—An annual fund-
8 ing request from a State shall include data from the
9 program during the preceding year, including—

10 “(A) a description of—

11 “(i) the entities that requested reim-
12 bursement;

13 “(ii) the amount of each reimburse-
14 ment request; and

15 “(iii) any discrepancies between the
16 amount requested and the amount pro-
17 vided;

18 “(B) data to support increases in requests
19 expected in the coming year, including informa-
20 tion from certifiers or other data showing
21 growth projections; and

22 “(C) an explanation of any case in which
23 an annual request is lower than the request of
24 the preceding year.

1 “(e) REPORTING.—Not later than March 1 of each
2 year, the Secretary shall submit to Congress a report that
3 describes the expenditures for each State under the pro-
4 gram during the previous fiscal year, including the number
5 of producers and handlers served by the program in the
6 previous fiscal year.

7 “(f) FUNDING.—

8 “(1) IN GENERAL.—Not later than 30 days
9 after the date of enactment of the Food and Energy
10 Security Act of 2007, out of any funds in the Treas-
11 ury not otherwise appropriated, the Secretary of the
12 Treasury shall transfer to the Secretary of Agri-
13 culture to carry out this section \$22,000,000, to re-
14 main available until expended.

15 “(2) RECEIPT AND ACCEPTANCE.—The Sec-
16 retary shall be entitled to receive, shall accept, and
17 shall use to carry out this section the funds trans-
18 ferred under paragraph (1), without further appro-
19 priation.”.

20 **SEC. 1824. NATIONAL ORGANIC PROGRAM.**

21 Section 2123 of the Organic Foods Production Act
22 of 1990 (7 U.S.C. 6522) is amended—

23 (1) by striking “There are” and inserting the
24 following:

25 “(a) IN GENERAL.—There are”; and

1 (2) by adding at the end the following:

2 “(b) NATIONAL ORGANIC PROGRAM.—Notwith-
3 standing any other provision of law, in order to carry out
4 the activities of the Agricultural Marketing Service under
5 the national organic program established under this title,
6 there are authorized to be appropriated—

7 “(1) \$5,000,000 for fiscal year 2008;

8 “(2) \$6,500,000 for fiscal year 2009;

9 “(3) \$8,000,000 for fiscal year 2010;

10 “(4) \$9,500,000 for fiscal year 2011; and

11 “(5) \$11,000,000 for fiscal year 2012.”.

12 **PART III—INTERNATIONAL TRADE**

13 **SEC. 1831. FOREIGN MARKET ACCESS STUDY AND STRAT-**
14 **EGY PLAN.**

15 (a) DEFINITION OF URUGUAY ROUND AGREE-
16 MENTS.—In this section, the term “Uruguay Round
17 Agreements” includes any agreement described in section
18 101(d) of the Uruguay Round Agreements Act (19 U.S.C.
19 3511(d)).

20 (b) STUDY.—The Comptroller General of the United
21 States shall study—

22 (1) the extent to which United States specialty
23 crops have or have not benefitted from any reduc-
24 tions of foreign trade barriers, as provided for in the
25 Uruguay Round Agreements; and

1 (2) the reasons why United States specialty
2 crops have or have not benefitted from such trade-
3 barrier reductions.

4 (c) STRATEGY PLAN.—The Secretary shall prepare
5 a foreign market access strategy plan based on the study
6 in subsection (b), to increase exports of specialty crops,
7 including an assessment of the foreign trade barriers that
8 are incompatible with the Uruguay Round Agreements
9 and a strategy for removing those barriers.

10 (d) REPORT.—Not later than 18 months after the
11 date of enactment of this Act—

12 (1) the Comptroller General shall submit to
13 Congress a report that contains the results of the
14 study; and

15 (2) the Secretary shall submit to Congress the
16 strategy plan.

17 **SEC. 1832. MARKET ACCESS PROGRAM.**

18 Section 211(c) of the Agricultural Trade Act of 1978
19 (7 U.S.C. 5641(c)) is amended by adding at the end the
20 following:

21 “(3) MINIMUM ALLOCATION FOR SALE AND EX-
22 PORT PROPOSAL.—

23 “(A) IN GENERAL.—In providing funds
24 under paragraph (2), to the maximum extent
25 practicable, the Secretary shall use not less

1 than 50 percent of any of the funds made avail-
2 able in excess of \$200,000,000 to carry out the
3 market access program each fiscal year to pro-
4 vide assistance for proposals submitted by eligi-
5 ble trade organizations to promote the sale and
6 export of specialty crops.

7 “(B) UNALLOCATED FUNDS.—If, by
8 March 31 of any fiscal year, the Secretary de-
9 termines that the total amount of funds made
10 available to carry out the market access pro-
11 gram are in excess of the amounts necessary to
12 promote the sale and export of specialty crops
13 during the fiscal year, the Secretary may use
14 the excess funds to provide assistance for any
15 other proposals submitted by eligible trade or-
16 ganizations consistent with the priorities de-
17 scribed in paragraph (2).”.

18 **SEC. 1833. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

19 Section 3205 of the Farm Security and Rural Invest-
20 ment Act of 2002 (7 U.S.C. 5680) is amended by striking
21 subsection (d) and inserting the following:

22 “(d) PETITION.—A participant in the program may
23 petition the Secretary for an extension of a project carried
24 out under this section that exceeds, or will exceed, applica-
25 ble time restrictions.

1 “(e) FUNDING.—

2 “(1) IN GENERAL.—The Secretary shall make
3 available to carry out the program under this sec-
4 tion—

5 “(A) \$6,800,000 of funds of, or an equal
6 value of commodities owned by, the Commodity
7 Credit Corporation for each of fiscal years 2008
8 through 2011; and

9 “(B) \$2,000,000 of funds of, or an equal
10 value of commodities owned by, the Commodity
11 Credit Corporation for fiscal year 2012 and
12 each subsequent fiscal year.

13 “(2) CARRYOVER OF UNOBLIGATED FUNDS.—
14 In a case in which the total amount of funds or com-
15 modities made available under paragraph (1) for a
16 fiscal year is not obligated in that fiscal year, the
17 Secretary shall make available in the subsequent fis-
18 cal year an amount equal to—

19 “(A) the amount made available for the
20 fiscal year under paragraph (1); plus

21 “(B) the amount not obligated in the pre-
22 vious fiscal year.”

1 **SEC. 1834. CONSULTATIONS ON SANITARY AND**
2 **PHYTOSANITARY RESTRICTIONS FOR FRUITS**
3 **AND VEGETABLES.**

4 (a) CONSULTATIONS ON SANITARY AND
5 PHYTOSANITARY RESTRICTIONS FOR FRUITS AND VEGE-
6 TABLES.—To the maximum extent practicable, the Sec-
7 retary and the United States Trade Representative shall
8 consult with interested persons, and conduct annual brief-
9 ings, on sanitary and phytosanitary trade issues, includ-
10 ing—

11 (1) the development of a strategic risk manage-
12 ment framework; and

13 (2) as appropriate, implementation of peer re-
14 view for risk analysis.

15 (b) SPECIAL CONSULTATIONS ON IMPORT-SENSITIVE
16 PRODUCTS.—Section 2104(b)(2)(A)(ii)(II) of the Bipar-
17 tisan Trade Promotion Authority Act of 2002 (19 U.S.C.
18 3804(b)(2)(A)(ii)(II)) is amended—

19 (1) by striking “whether the products so identi-
20 fied” and inserting “whether—

21 “(aa) the products so identi-
22 fied”; and

23 (2) by adding at the end the following:

24 “(bb) any fruits or vegeta-
25 bles so identified are subject to
26 or likely to be subject to unjusti-

1 fied sanitary or phytosanitary re-
2 strictions, including restrictions
3 not based on scientific principles
4 in contravention of the Uruguay
5 Round Agreements, as deter-
6 mined by the United States
7 Trade Representative Technical
8 Advisory Committee for Trade in
9 Fruits and Vegetables of the De-
10 partment of Agriculture; and”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 subsection (b) apply with respect to the initiation of nego-
13 tiations to enter into any trade agreement that is subject
14 to section 2103(b) of the Bipartisan Trade Promotion Au-
15 thority Act of 2002 (19 U.S.C. 3803(b)) on or after the
16 date of the enactment of this Act.

17 **PART IV—SPECIALTY CROPS COMPETITIVENESS**

18 **SEC. 1841. SPECIALTY CROP BLOCK GRANTS.**

19 (a) EXTENSION OF PROGRAM.—Section 101(a) of the
20 Specialty Crops Competitiveness Act of 2004 (7 U.S.C.
21 1621 note; Public Law 108–465) is amended by striking
22 “2009” and inserting “2012”.

23 (b) AVAILABILITY OF FUNDS.—Section 101 of the
24 Specialty Crops Competitiveness Act of 2004 (7 U.S.C.

1 1621 note; Public Law 108–465) is amended by striking
2 subsection (i) and inserting the following:

3 “(i) FUNDING.—Of the funds of the Commodity
4 Credit Corporation, the Secretary of Agriculture shall
5 make grants under this section, using—

6 “(1) \$60,000,000 for fiscal year 2008;

7 “(2) \$65,000,000 for fiscal year 2009;

8 “(3) \$70,000,000 for fiscal year 2010;

9 “(4) \$75,000,000 for fiscal year 2011; and

10 “(5) \$0 for fiscal year 2012.”.

11 (c) CONFORMING AMENDMENTS.—Section 101 of the
12 Specialty Crops Competitiveness Act of 2004 (7 U.S.C.
13 1621 note; Public Law 108–465) is amended—

14 (1) in subsection (a), by striking “Subject to
15 the appropriation of funds to carry out this section”
16 and inserting “Using the funds made available
17 under subsection (i)”;

18 (2) in subsection (b), by striking “appropriated
19 pursuant to the authorization of appropriations in”
20 and inserting “made available under”;

21 (3) by striking subsection (c) and inserting the
22 following:

23 “(c) MINIMUM GRANT AMOUNT.—Notwithstanding
24 subsection (b), each State shall receive a grant under this
25 section for each fiscal year in an amount that is at least

1 ½ of 1 percent of the total amount of funding made avail-
2 able to carry out this section for the fiscal year.”;

3 (4) by redesignating subsection (i) as subsection
4 (j); and

5 (5) by inserting after subsection (h) the fol-
6 lowing:

7 “(i) REALLOCATION.—The Secretary may reallocate
8 to other States any amounts made available under this
9 section that are not obligated or expended by a date deter-
10 mined by the Secretary.”.

11 (d) DEFINITION OF SPECIALTY CROP.—Section 3 of
12 the Specialty Crops Competitiveness Act of 2004 (7
13 U.S.C. 1621 note; Public Law 108–465) is amended by
14 striking paragraph (1) and inserting the following:

15 “(1) SPECIALTY CROP.—The term ‘specialty
16 crop’ means fruits, vegetables, tree nuts, dried
17 fruits, nursery crops, floriculture, and horticulture,
18 including turfgrass sod and herbal crops.”.

19 (e) DEFINITION OF STATE.—Section 3(2) of the Spe-
20 cialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621
21 note; Public Law 108–465) is amended by striking “and
22 the Commonwealth of Puerto Rico” and inserting “the
23 Commonwealth of Puerto Rico, Guam, American Samoa,
24 the United States Virgin Islands, and the Commonwealth
25 of the Northern Mariana Islands”.

1 **SEC. 1842. GRANT PROGRAM TO IMPROVE MOVEMENT OF**
2 **SPECIALTY CROPS.**

3 Title II of the Specialty Crops Competitiveness Act
4 of 2004 (Public Law 108–465; 118 Stat. 3884) is amend-
5 ed by adding at the end the following:

6 **“SEC. 204. GRANT PROGRAM TO IMPROVE MOVEMENT OF**
7 **SPECIALTY CROPS.**

8 “(a) IN GENERAL.—The Secretary of Agriculture
9 may make grants under this section to an eligible entity
10 described in subsection (b)—

11 “(1) to improve the cost-effective movement of
12 specialty crops to local, regional, national, and inter-
13 national markets; and

14 “(2) to address regional intermodal transpor-
15 tation deficiencies that adversely affect the move-
16 ment of specialty crops to markets inside or outside
17 the United States.

18 “(b) ELIGIBLE ENTITIES.—Grants may be made
19 under this section to—

20 “(1) a State or local government;

21 “(2) a grower cooperative;

22 “(3) a State or regional producer or shipper or-
23 ganization;

24 “(4) a combination of entities described in
25 paragraphs (1) through (3); or

1 “(5) other entities, as determined by the Sec-
2 retary.

3 “(c) MATCHING FUNDS.—As a condition of the re-
4 ceipt of a grant under this section, the recipient of a grant
5 under this section shall contribute an amount of non-Fed-
6 eral funds toward the project for which the grant is pro-
7 vided that is at least equal to the amount of grant funds
8 received by the recipient under this section.

9 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated such sums as are nec-
11 essary to carry out this section for each of fiscal years
12 2008 through 2012.”.

13 **SEC. 1843. HEALTHY FOOD ENTERPRISE DEVELOPMENT**
14 **CENTER.**

15 Title II of the Specialty Crops Competitiveness Act
16 of 2004 (Public Law 108–465; 118 Stat. 3884) (as
17 amended by section 1842) is amended by adding at the
18 end the following:

19 **“SEC. 205. HEALTHY FOOD ENTERPRISE DEVELOPMENT**
20 **CENTER.**

21 “(a) DEFINITIONS.—In this section:

22 “(1) CENTER.—The term ‘Center’ means the
23 healthy food enterprise development center estab-
24 lished under subsection (b).

1 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
2 tity’ means—

3 “(A) a nonprofit organization;

4 “(B) a cooperative;

5 “(C) a business;

6 “(D) an agricultural producer;

7 “(E) an academic institution;

8 “(F) an individual; and

9 “(G) such other entities as the Secretary
10 may designate.

11 “(3) SECRETARY.—The term ‘Secretary’ means
12 the Secretary of Agriculture.

13 “(4) UNDERSERVED COMMUNITY.—The term
14 ‘underserved community’ means a community (in-
15 cluding an urban or rural community and an Indian
16 tribal community) that, as determined by the Sec-
17 retary, has—

18 “(A) limited access to affordable, healthy
19 foods, including fresh fruits and vegetables;

20 “(B) a high incidence of a diet-related dis-
21 ease (including obesity) as compared to the na-
22 tional average;

23 “(C) a high rate of hunger or food insecu-
24 rity; or

25 “(D) severe or persistent poverty.

1 “(b) CENTER.—The Secretary, acting through the
2 Agricultural Marketing Service, shall offer to enter into
3 a contract with a nonprofit organization to establish and
4 support a healthy food enterprise development center to
5 increase access to healthy, affordable foods, such as fresh
6 fruit and vegetables, particularly for school-aged children
7 and individuals in low-income communities.

8 “(c) ACTIVITIES.—

9 “(1) PURPOSE.—The purpose of the Center is
10 to increase access to healthy affordable foods, in-
11 cluding locally produced agricultural products, to un-
12 derserved communities.

13 “(2) TECHNICAL ASSISTANCE AND INFORMA-
14 TION.—The Center shall collect, develop, and pro-
15 vide technical assistance and information to small
16 and mid-sized agricultural producers, food whole-
17 salers and retailers, schools, and other individuals
18 and entities regarding best practices and the avail-
19 ability of assistance for aggregating, storing, proc-
20 essing, and marketing locally produced agricultural
21 products and increasing the availability of the prod-
22 ucts in underserved communities.

23 “(d) AUTHORITY TO SUBGRANT.—The Center may
24 provide subgrants to eligible entities to carry out feasi-

1 bility studies to establish businesses to carry out the pur-
2 poses of this section.

3 “(e) PRIORITY.—In providing technical assistance
4 and grants under subsections (c)(2) and (d), the Center
5 shall give priority to applications that have components
6 that will—

7 “(1) benefit underserved communities; and

8 “(2) develop market opportunities for small and
9 mid-sized farm and ranch operations.

10 “(f) REPORT.—For each fiscal year for which the
11 nonprofit organization described in subsection (b) receives
12 funds, the organization shall submit to the Secretary a re-
13 port describing the activities carried out in the previous
14 fiscal year, including—

15 “(1) a description of technical assistance pro-
16 vided;

17 “(2) the total number and a description of the
18 subgrants provided under subsection (d);

19 “(3) a complete listing of cases in which the ac-
20 tivities of the Center have resulted in increased ac-
21 cess to healthy, affordable foods, such as fresh fruit
22 and vegetables, particularly for school-aged children
23 and individuals in low-income communities; and

24 “(4) a determination of whether the activities
25 identified in paragraph (3) are sustained in the

1 years following the initial provision of technical as-
2 sistance and subgrants under this section.

3 “(g) COMPETITIVE AWARD PROCESS.—The Sec-
4 retary shall use a competitive process to award funds to
5 establish the Center.

6 “(h) FUNDING.—Out of any funds in the Treasury
7 not otherwise appropriated, the Secretary of the Treasury
8 shall transfer to the Secretary to carry out this section—

9 “(1) \$1,000,000 for fiscal year 2009; and

10 “(2) \$2,000,000 for each of fiscal years 2010
11 through 2012.”.

12 **PART V—MISCELLANEOUS**

13 **SEC. 1851. CLEAN PLANT NETWORK.**

14 (a) IN GENERAL.—The Secretary shall establish a
15 program to be known as the “National Clean Plant Net-
16 work” (referred to in this section as the “Program”).

17 (b) REQUIREMENTS.—Under the Program, the Sec-
18 retary shall establish a network of clean plant centers for
19 diagnostic and pathogen elimination services to—

20 (1) produce clean propagative plant material;

21 and

22 (2) maintain blocks of pathogen-tested plant
23 material in sites located throughout the United
24 States.

1 (c) AVAILABILITY OF CLEAN PLANT SOURCE MATE-
2 RIAL.—Clean plant source material may be made available
3 to—

4 (1) a State for a certified plant program of the
5 State; and

6 (2) private nurseries and producers.

7 (d) CONSULTATION AND COLLABORATION.—In car-
8 rying out the Program, the Secretary shall—

9 (1) consult with State departments of agri-
10 culture and land grant universities; and

11 (2) to the extent practicable and with input
12 from the appropriate State officials and industry
13 representatives, use existing Federal or State facili-
14 ties to serve as clean plant centers.

15 (e) FUNDING.—Of the funds of the Commodity Cred-
16 it Corporation, the Secretary shall use to carry out the
17 Program \$4,000,000 for each of fiscal years 2008 through
18 2012.

19 **SEC. 1852. MARKET LOSS ASSISTANCE FOR ASPARAGUS**
20 **PRODUCERS.**

21 (a) IN GENERAL.—As soon as practicable after the
22 date of enactment of this Act, the Secretary shall make
23 payments to producers of the 2007 crop of asparagus for
24 market loss resulting from imports during the 2004
25 through 2007 crop years.

1 (b) PAYMENT RATE.—The payment rate for a pay-
2 ment under this section shall be based on the reduction
3 in revenue received by asparagus producers associated
4 with imports during the 2004 through 2007 crop years.

5 (c) PAYMENT QUANTITY.—The payment quantity for
6 asparagus for which the producers on a farm are eligible
7 for payments under this section shall be equal to the aver-
8 age quantity of the 2003 crop of asparagus produced by
9 producers on the farm.

10 (d) FUNDING.—

11 (1) IN GENERAL.—Subject to paragraph (2),
12 the Secretary shall make available \$15,000,000 of
13 the funds of the Commodity Credit Corporation to
14 carry out a program to provide market loss pay-
15 ments to producers of asparagus under this section.

16 (2) ALLOCATION.—Of the amount made avail-
17 able under paragraph (1), the Secretary shall use—

18 (A) \$7,500,000 to make payments to pro-
19 ducers of asparagus for the fresh market; and

20 (B) \$7,500,000 to make payments to pro-
21 ducers of asparagus for the processed or frozen
22 market.

1 **SEC. 1853. MUSHROOM PROMOTION, RESEARCH, AND CON-**
2 **SUMER INFORMATION.**

3 (a) REGIONS AND MEMBERS.—Section 1925(b)(2) of
4 the Mushroom Promotion, Research, and Consumer Infor-
5 mation Act of 1990 (7 U.S.C. 6104(b)(2)) is amended—

6 (1) in subparagraph (B), by striking “4 re-
7 gions” and inserting “3 regions”;

8 (2) in subparagraph (D), by striking
9 “35,000,000 pounds” and inserting “50,000,000
10 pounds”; and

11 (3) by striking subparagraph (E), and inserting
12 the following:

13 “(E) ADDITIONAL MEMBERS.—In addition
14 to the members appointed pursuant to para-
15 graph (1), and subject to the 9-member limita-
16 tion on members on the Council provided in
17 that paragraph, the Secretary shall appoint ad-
18 ditional members to the Council from a region
19 that attains additional pounds of production of
20 mushrooms as follows:

21 “(i) If the annual production of the
22 region is greater than 110,000,000
23 pounds, but not more than 180,000,000
24 pounds, the region shall be represented by
25 1 additional member.

1 “(ii) If the annual production of the
2 region is greater than 180,000,000
3 pounds, but not more than 260,000,000
4 pounds, the region shall be represented by
5 2 additional members.

6 “(iii) If the annual production of the
7 region is greater than 260,000,000
8 pounds, the region shall be represented by
9 3 additional members.”.

10 (b) POWERS AND DUTIES OF COUNCIL.—Section
11 1925(c) of the Mushroom Promotion, Research, and Con-
12 sumer Information Act of 1990 (7 U.S.C. 6104(c)) is
13 amended—

14 (1) by redesignating paragraphs (6), (7), and
15 (8) as paragraphs (7), (8), and (9), respectively; and
16 (2) by inserting after paragraph (5) the fol-
17 lowing:

18 “(6) to develop food safety programs, including
19 good agricultural practices and good handling prac-
20 tices or related activities for mushrooms;”.

21 **SEC. 1854. NATIONAL HONEY BOARD.**

22 Section 7(c) of the Honey Research, Promotion, and
23 Consumer Information Act (7 U.S.C. 4606(c)) is amended
24 by adding at the end the following:

25 “(12) REFERENDUM REQUIREMENT.—

1 “(A) IN GENERAL.—Notwithstanding any
2 other provision of law, subject to subparagraph
3 (B), the order providing for the establishment
4 and operation of the Honey Board in effect on
5 the date of enactment of this paragraph shall
6 continue in force, and the Secretary shall not
7 schedule or conduct any referendum on the con-
8 tinuation or termination of the order, until the
9 Secretary first conducts, at the earliest prac-
10 ticable date, concurrent referenda among all eli-
11 gible producers, importers, packers, and han-
12 dlers of honey for the purpose of ascertaining
13 whether eligible producers, importers, packers,
14 and handlers of honey approve of 1 or more or-
15 ders to establish successor marketing boards for
16 honey.

17 “(B) REQUIREMENTS.—In conducting con-
18 current referenda under subparagraph (A), the
19 Secretary shall ensure that—

20 “(i) a referendum of United States
21 honey producers for the establishment of a
22 marketing board solely for United States
23 honey producers is included in the process;
24 and

1 “(ii) the rights and interests of honey
2 producers, importers, packers, and han-
3 dlers of honey are protected in the transi-
4 tion to any new marketing board.”.

5 **SEC. 1855. IDENTIFICATION OF HONEY.**

6 Section 203(h) of the Agricultural Marketing Act of
7 1946 (7 U.S.C. 1622(h)) is amended—

8 (1) by designating the first through sixth sen-
9 tences as paragraphs (1), (2)(A), (2)(B), (3), (4),
10 and (5), respectively; and

11 (2) by adding at the end the following:

12 “(6) IDENTIFICATION OF HONEY.—The use of
13 a label or advertising material on, or in conjunction
14 with, packaged honey that bears any official certifi-
15 cate of quality, grade mark or statement, continuous
16 inspection mark or statement, sampling mark or
17 statement, or any combination of the certificates,
18 marks, or statements of the Department of Agri-
19 culture shall be considered a deceptive practice that
20 is prohibited under this Act unless there appears
21 legibly and permanently in close proximity to the
22 certificate, mark, or statement, and in at least a
23 comparable size, the 1 or more names of the 1 or
24 more countries of origin of the lot or container of

1 honey, preceded by ‘Product of’ or other words of
2 similar meaning.”.

3 **SEC. 1856. EXPEDITED MARKETING ORDER FOR HASS AVO-**
4 **CADOS FOR GRADES AND STANDARDS AND**
5 **OTHER PURPOSES.**

6 (a) IN GENERAL.—The Secretary shall initiate proce-
7 dures under the Agricultural Adjustment Act (7 U.S.C.
8 601 et seq.), reenacted with amendments by the Agricul-
9 tural Marketing Agreement Act of 1937, to determine
10 whether it would be appropriate to establish a Federal
11 marketing order for Hass avocados relating to grades and
12 standards and for other purposes under that Act.

13 (b) EXPEDITED PROCEDURES.—

14 (1) PROPOSAL FOR AN ORDER.—An organiza-
15 tion of domestic avocado producers in existence on
16 the date of enactment of this Act may request the
17 issuance of, and submit to the Secretary a proposal
18 for, an order described in subsection (a).

19 (2) PUBLICATION OF PROPOSAL.—Not later
20 than 60 days after the date on which the Secretary
21 receives a proposed order under paragraph (1), the
22 Secretary shall initiate procedures described in sub-
23 section (a) to determine whether the proposed order
24 should proceed.

1 (c) EFFECTIVE DATE.—Any order issued under this
2 section shall become effective not later than 15 months
3 after the date on which the Secretary initiates procedures
4 under the Agricultural Adjustment Act (7 U.S.C. 601 et
5 seq.), reenacted with amendments by the Agricultural
6 Marketing Agreement Act of 1937.

7 **Subtitle G—Risk Management**

8 **SEC. 1901. DEFINITION OF ORGANIC CROP.**

9 Section 502(b) of the Federal Crop Insurance Act (7
10 U.S.C. 1502(b)) is amended—

11 (1) by redesignating paragraphs (7) and (8) as
12 paragraphs (8) and (9), respectively; and

13 (2) by inserting after paragraph (6) the fol-
14 lowing:

15 “(7) ORGANIC CROP.—The term ‘organic crop’
16 means an agricultural commodity that is organically
17 produced consistent with section 2103 of the Or-
18 ganic Foods Production Act of 1990 (7 U.S.C.
19 6502).”.

20 **SEC. 1902. GENERAL POWERS.**

21 (a) IN GENERAL.—Section 506 of the Federal Crop
22 Insurance Act (7 U.S.C. 1506) is amended—

23 (1) in the first sentence of subsection (d), by
24 striking “The Corporation” and inserting “Subject
25 to section 508(j)(2)(A), the Corporation”; and

1 (2) by striking subsection (n).

2 (b) CONFORMING AMENDMENTS.—

3 (1) Section 506 of the Federal Crop Insurance
4 Act (7 U.S.C. 1506) is amended by redesignating
5 subsections (o), (p), and (q) as subsections (n), (o),
6 and (p), respectively.

7 (2) Section 521 of the Federal Crop Insurance
8 Act (7 U.S.C. 1521) is amended by striking the last
9 sentence.

10 **SEC. 1903. REDUCTION IN LOSS RATIO.**

11 (a) PROJECTED LOSS RATIO.—Subsection (n)(2) of
12 section 506 of the Federal Crop Insurance Act (7 U.S.C.
13 1506) (as redesignated by section 1902(b)(1)) is amend-
14 ed—

15 (1) in the paragraph heading, by striking “AS
16 OF OCTOBER 1, 1998”;

17 (2) by striking “, on and after October 1,
18 1998,”; and

19 (3) by striking “1.075” and inserting “1.0”.

20 (b) PREMIUMS REQUIRED.—Section 508(d)(1) of the
21 Federal Crop Insurance Act (7 U.S.C. 1508(d)(1)) is
22 amended by striking “not greater than” and all that fol-
23 lows and inserting “not greater than—

24 “(A) 1.1 through September 30, 1998;

1 “(B) 1.075 for the period beginning Octo-
2 ber 1, 1998, and ending on the date of enact-
3 ment of the Food and Energy Security Act of
4 2007; and

5 “(C) 1.0 on and after the date of enact-
6 ment of that Act.”.

7 **SEC. 1904. CONTROLLED BUSINESS INSURANCE.**

8 Section 508(a) of the Federal Crop Insurance Act (7
9 U.S.C. 1508(a) is amended by adding at the end the fol-
10 lowing:

11 “(9) COMMISSIONS.—

12 “(A) DEFINITION OF IMMEDIATE FAM-
13 ILY.—In this paragraph, the term ‘immediate
14 family’ means a person’s father, mother, step-
15 father, stepmother, brother, sister, stepbrother,
16 stepsister, son, daughter, stepson, stepdaughter,
17 grandparent, grandson, granddaughter, father-
18 in-law, mother-in-law, brother-in-law, sister-in-
19 law, son-in-law, daughter-in-law, the spouse of
20 the foregoing, and the person’s spouse.

21 “(B) PROHIBITION.—No person may re-
22 ceive a commission or share of a commission for
23 any policy or plan of insurance offered under
24 this Act in which the person has a substantial
25 beneficial interest or in which a member of the

1 person's immediate family has a substantial
2 beneficial interest if, in a calendar year, the ag-
3 gregate of the commissions exceeds 30 percent
4 of the aggregate of all commissions received by
5 the person for any policy or plan of insurance
6 offered under this Act.

7 “(C) REPORTING.—On the completion of
8 the reinsurance year, any person that received
9 a commission or share of a commission for any
10 policy or plan of insurance offered under this
11 Act in the prior calendar year shall certify to
12 applicable approved insurance providers that
13 the person received the commissions in compli-
14 ance with this paragraph.

15 “(D) SANCTIONS.—The requirements and
16 sanctions prescribed in section 515(h) shall
17 apply to the prosecution of a violation of this
18 paragraph.

19 “(E) APPLICABILITY.—

20 “(i) IN GENERAL.—Sanctions for vio-
21 lations under this paragraph shall only
22 apply to the person directly responsible for
23 the certification required under subpara-
24 graph (C) or the failure to comply with the
25 requirements of this paragraph.

1 “(ii) PROHIBITION.—No sanctions
2 shall apply with respect to the policy or
3 plans of insurance upon which commissions
4 are received, including the reinsurance for
5 those policies or plans.”.

6 **SEC. 1905. ADMINISTRATIVE FEE.**

7 Section 508(b)(5) of the Federal Crop Insurance Act
8 (7 U.S.C. 1508(b)(5)) is amended—

9 (1) in subparagraph (A), by striking “\$100”
10 and inserting “\$200”; and

11 (2) in subparagraph (B)—

12 (A) by striking “PAYMENT ON BEHALF OF
13 PRODUCERS” and inserting “PAYMENT OF CAT-
14 ASTROPHIC RISK PROTECTION FEE ON BEHALF
15 OF PRODUCERS”;

16 (B) in clause (i)—

17 (i) by striking “or other payment”;
18 and

19 (ii) by striking “with catastrophic risk
20 protection or additional coverage” and in-
21 serting “through the payment of cata-
22 strophic risk protection administrative
23 fees”;

24 (C) by striking clauses (ii) and (vi);

1 (D) by redesignating clauses (iii), (iv), and
2 (v) as clauses (ii), (iii), and (iv), respectively;

3 (E) in clause (iii) (as so redesignated), by
4 striking “A policy or plan of insurance” and in-
5 serting “Catastrophic risk protection coverage”;
6 and

7 (F) in clause (iv) (as so redesignated)—

8 (i) by striking “or other arrangement
9 under this subparagraph”; and

10 (ii) by striking “additional”.

11 **SEC. 1906. TIME FOR PAYMENT.**

12 Section 508 of the Federal Crop Insurance Act (7
13 U.S.C. 1508) is amended—

14 (1) in subsection (d), by adding at the end the
15 following:

16 “(4) TIME FOR PAYMENT.—Effective beginning
17 with the 2012 reinsurance year, a producer that ob-
18 tains a policy or plan of insurance under this title
19 shall submit the required premium not later than
20 September 30 of the year for which the plan or pol-
21 icy of insurance was obtained.”; and

22 (2) in subsection (k)(4), by adding at the end
23 the following:

24 “(D) TIME FOR REIMBURSEMENT.—Effec-
25 tive beginning with the 2012 reinsurance year,

1 the Corporation shall reimburse approved insur-
2 ance providers and agents for the allowable ad-
3 ministrative and operating costs of the pro-
4 viders and agents as soon as practicable after
5 October 1 (but not later than October 31) of
6 the reinsurance year for which reimbursements
7 are earned.”.

8 **SEC. 1907. SURCHARGE PROHIBITION.**

9 Section 508(d) of the Federal Crop Insurance Act (7
10 U.S.C. 1508(d)) (as amended by section 1906(1)) is
11 amended by adding at the end the following:

12 “(5) SURCHARGE PROHIBITION.—

13 “(A) IN GENERAL.—Except as provided in
14 subparagraph (B), the Corporation may not re-
15 quire producers to pay a premium surcharge for
16 using scientifically-sound sustainable and or-
17 ganic farming practices and systems.

18 “(B) EXCEPTION.—

19 “(i) IN GENERAL.—A surcharge may
20 be required for individual organic crops on
21 the basis of significant, consistent, and
22 systemic increased risk factors (including
23 loss history) demonstrated by published
24 cropping system research (as applied to

1 crop types and regions) and other relevant
2 sources of information.

3 “(ii) CONSULTATION.—The Corpora-
4 tion shall evaluate the reliability of infor-
5 mation described in clause (i) in consulta-
6 tion with independent experts in the
7 field.”.

8 **SEC. 1908. PREMIUM REDUCTION PLAN.**

9 Section 508(e) of Federal Crop Insurance Act (7
10 U.S.C. 1508(e)) is amended by striking paragraph (3) and
11 inserting the following:

12 “(3) DISCOUNT STUDY.—

13 “(A) IN GENERAL.—The Secretary shall
14 commission an entity independent of the crop
15 insurance industry (with expertise that includes
16 traditional crop insurance) to study the feasi-
17 bility of permitting approved insurance pro-
18 viders to provide discounts to producers pur-
19 chasing crop insurance coverage without under-
20 mining the viability of the Federal crop insur-
21 ance program.

22 “(B) COMPONENTS.—The study should in-
23 clude—

24 “(i) an evaluation of the operation of
25 a premium reduction plan that examines—

1 “(I) the clarity, efficiency, and
2 effectiveness of the statutory language
3 and related regulations;

4 “(II) whether the regulations
5 frustrated the goal of offering pro-
6 ducers upfront, predictable, and reli-
7 able premium discount payments; and

8 “(III) whether the regulations
9 provided for reasonable, cost-effective
10 oversight by the Corporation of pre-
11 mium discounts offered by approved
12 insurance providers, including—

13 “(aa) whether the savings
14 were generated from verifiable
15 cost efficiencies adequate to off-
16 set the cost of discounts paid;
17 and

18 “(bb) whether appropriate
19 control was exercised to prevent
20 approved insurance providers
21 from preferentially offering the
22 discount to producers of certain
23 agricultural commodities, in cer-
24 tain regions, or in specific size
25 categories;

1 “(ii) examination of the impact on
2 producers, the crop insurance industry,
3 and profitability from offering discounted
4 crop insurance to producers;

5 “(iii) examination of implications for
6 industry concentration from offering dis-
7 counted crop insurance to producers;

8 “(iv) an examination of the desir-
9 ability and feasibility of allowing other
10 forms of price competition in the Federal
11 crop insurance program;

12 “(v) a review of the history of com-
13 missions paid by crop insurance providers;
14 and

15 “(vi) recommendations on—

16 “(I) potential changes to this
17 title that would address the defi-
18 ciencies in past efforts to provide dis-
19 counted crop insurance to producers,

20 “(II) whether approved insurance
21 providers should be allowed to draw
22 on both administrative and operating
23 reimbursement and underwriting
24 gains to provide discounted crop in-
25 surance to producers; and

1 “(III) any other action that could
2 increase competition in the crop insur-
3 ance industry that will benefit pro-
4 ducers but not undermine the viability
5 of the Federal crop insurance pro-
6 gram.

7 “(C) REQUEST FOR PROPOSALS.—In devel-
8 oping the request for proposals for the study,
9 the Secretary shall consult with parties in the
10 crop insurance industry (including producers
11 and approved insurance providers and agents,
12 including providers and agents with experience
13 selling discount crop insurance products).

14 “(D) REVIEW OF STUDY.—The inde-
15 pendent entity selected by Secretary under sub-
16 paragraph (A) shall seek comments from inter-
17 ested stakeholders before finalizing the report
18 of the entity.

19 “(E) REPORT.—Not later than 18 months
20 after the date of enactment of the Food and
21 Energy Security Act of 2007, the Secretary
22 shall submit to the Committee on Agriculture of
23 the House of Representatives and the Com-
24 mittee on Agriculture, Nutrition, and Forestry

1 of the Senate a report that describes the results
2 and recommendations of the study.”.

3 **SEC. 1909. DENIAL OF CLAIMS.**

4 Section 508(j)(2)(A) of the Federal Crop Insurance
5 Act (7 U.S.C. 1508(j)(2)(A)) is amended by inserting “on
6 behalf of the Corporation” after “approved provider”.

7 **SEC. 1910. MEASUREMENT OF FARM-STORED COMMOD-**
8 **ITIES.**

9 Section 508(j) of the Federal Crop Insurance Act (7
10 U.S.C. 1508(j)) is amended by adding at the end the fol-
11 lowing:

12 “(5) MEASUREMENT OF FARM-STORED COM-
13 MODITIES.—Beginning with the 2009 crop year, for
14 the purpose of determining the amount of any in-
15 sured production loss sustained by a producer and
16 the amount of any indemnity to be paid under a
17 plan of insurance—

18 “(A) a producer may elect, at the expense
19 of the producer, to have the Farm Service
20 Agency measure the quantity of the commodity;
21 and

22 “(B) the results of the measurement shall
23 be used as the evidence of the quantity of the
24 commodity that was produced.”.

1 **SEC. 1911. REIMBURSEMENT RATE.**

2 Section 508(k)(4) of the Federal Crop Insurance Act
3 (7 U.S.C. 1508(k)(4)) (as amended by section 1906(2))
4 is amended—

5 (1) in subparagraph (A), by striking “Except as
6 provided in subparagraph (B)” and inserting “Ex-
7 cept as otherwise provided in this paragraph”; and
8 (2) by adding at the end the following:

9 “(E) REIMBURSEMENT RATE REDUC-
10 TION.—For each of the 2009 and subsequent
11 reinsurance years, the reimbursement rates for
12 administrative and operating costs shall be 2
13 percentage points below the rates in effect as of
14 the date of enactment of the Food and Energy
15 Security Act of 2007 for all crop insurance poli-
16 cies used to define loss ratio, except that the re-
17 duction shall not apply in a reinsurance year to
18 the total premium written in a State in which
19 the State loss ratio is greater than 1.2.

20 “(F) REIMBURSEMENT RATE FOR AREA
21 POLICIES AND PLANS OF INSURANCE.—Not-
22 withstanding subparagraphs (A) through (E),
23 for each of the 2009 and subsequent reinsur-
24 ance years, the reimbursement rate for area
25 policies and plans of insurance shall be 17 per-

1 cent of the premium used to define loss ratio
2 for that reinsurance year.”.

3 **SEC. 1912. RENEGOTIATION OF STANDARD REINSURANCE**
4 **AGREEMENT.**

5 Section 508(k) of the Federal Crop Insurance Act (7
6 U.S.C. 1508(k)) is amended by adding at the end the fol-
7 lowing:

8 “(8) RENEGOTIATION OF STANDARD REINSUR-
9 ANCE AGREEMENT.—

10 “(A) IN GENERAL.—Notwithstanding sec-
11 tion 536 of the Agricultural Research, Exten-
12 sion, and Education Reform Act of 1998 (7
13 U.S.C. 1506 note; Public Law 105-185) and
14 section 148 of the Agricultural Risk Protection
15 Act of 2000 (7 U.S.C. 1506 note; Public Law
16 106-224), the Corporation may renegotiate the
17 financial terms and conditions of each Standard
18 Reinsurance Agreement—

19 “(i) following the reinsurance year
20 ending June 30, 2012;

21 “(ii) once during each period of 5 re-
22 insurance years thereafter; and

23 “(iii) subject to subparagraph (B), in
24 any case in which the approved insurance
25 providers, as a whole, experience unex-

1 pected adverse circumstances, as deter-
2 mined by the Secretary.

3 “(B) NOTIFICATION REQUIREMENT.—If
4 the Corporation renegotiates a Standard Rein-
5 surance Agreement under subparagraph
6 (A)(iii), the Corporation shall notify the Com-
7 mittee on Agriculture of the House of Rep-
8 resentatives and the Committee on Agriculture,
9 Nutrition, and Forestry of the Senate of the re-
10 negotiation.

11 “(C) CONSULTATION.—The approved in-
12 surance providers may confer with each other
13 and collectively with the Corporation during any
14 renegotiation under subparagraph (A).”.

15 **SEC. 1913. CHANGE IN DUE DATE FOR CORPORATION PAY-**
16 **MENTS FOR UNDERWRITING GAINS.**

17 Section 508(k) of the Federal Crop Insurance Act (7
18 U.S.C. 1508(k)) (as amended by section 1912) is amended
19 by adding at the end the following:

20 “(9) DUE DATE FOR PAYMENT OF UNDER-
21 WRITING GAINS.—Effective beginning with the 2011
22 reinsurance year, the Corporation shall make pay-
23 ments for underwriting gains under this title on—

24 “(A) for the 2011 reinsurance year, Octo-
25 ber 1, 2012; and

1 “(B) for each reinsurance year thereafter,
2 October 1 of the following calendar year.”.

3 **SEC. 1914. ACCESS TO DATA MINING INFORMATION.**

4 (a) IN GENERAL.—Section 515(j)(2) of the Federal
5 Crop Insurance Act (7 U.S.C. 1515(j)(2)) is amended—

6 (1) by striking “The Secretary” and inserting
7 the following:

8 “(A) IN GENERAL.—The Secretary”; and

9 (2) by adding at the end the following:

10 “(B) ACCESS TO DATA MINING INFORMA-
11 TION.—

12 “(i) IN GENERAL.—The Secretary
13 shall establish a fee-for-access program
14 under which approved insurance providers
15 pay to the Secretary a user fee in exchange
16 for access to the data mining system estab-
17 lished under subparagraph (A) for the pur-
18 pose of assisting in fraud and abuse detec-
19 tion.

20 “(ii) PROHIBITION.—

21 “(I) IN GENERAL.—Except as
22 provided in subclause (II), the Cor-
23 poration shall not impose a require-
24 ment on approved insurance providers

1 to access the data mining system es-
2 tablished under subparagraph (A).

3 “(II) ACCESS WITHOUT FEE.—If
4 the Corporation requires approved in-
5 surance providers to access the data
6 mining system established under sub-
7 paragraph (A), access will be provided
8 without charge to the extent necessary
9 to fulfill the requirements.

10 “(iii) ACCESS LIMITATION.—In estab-
11 lishing the program under clause (i), the
12 Secretary shall ensure that an approved in-
13 surance provider has access only to infor-
14 mation relating to the policies or plans of
15 insurance for which the approved insur-
16 ance provider provides insurance coverage,
17 including any information relating to—

18 “(I) information of agents and
19 adjusters relating to policies for which
20 the approved insurance provider pro-
21 vides coverage;

22 “(II) the other policies or plans
23 of an insured that are insured
24 through another approved insurance
25 providers; and

1 “(III) the policies or plans of an
2 insured for prior crop insurance
3 years.”.

4 (b) INSURANCE FUND.—Section 516 of the Federal
5 Crop Insurance Act (7 U.S.C. 1516) is amended—

6 (1) in subsection (b), by adding at the end the
7 following:

8 “(3) DATA MINING SYSTEM.—The Corporation
9 shall use amounts deposited in the insurance fund
10 established under subsection (c) from fees collected
11 under section 515(j)(2)(B) to administer and carry
12 out improvements to the data mining system under
13 that section.”; and

14 (2) in subsection (c)(1)—

15 (A) by striking “and civil” and inserting
16 “civil”; and

17 (B) by inserting “and fees collected under
18 section 515(j)(2)(B)(i),” after “section
19 515(h),”.

20 **SEC. 1915. PRODUCER ELIGIBILITY.**

21 Section 520(2) of the Federal Crop Insurance Act (7
22 U.S.C. 1520(2)) is amended by inserting “or is a person
23 who raises livestock owned by other persons (that is not
24 covered by insurance under this title by another person)”
25 after “sharecropper”.

1 **SEC. 1916. CONTRACTS FOR ADDITIONAL CROP POLICIES.**

2 Section 522(c) of the Federal Crop Insurance Act (7
3 U.S.C. 1522) is amended—

4 (1) by redesignating paragraph (10) as para-
5 graph (14); and

6 (2) by inserting after paragraph (9) the fol-
7 lowing:

8 “(10) ENERGY CROP INSURANCE POLICY.—

9 “(A) DEFINITION OF DEDICATED ENERGY
10 CROP.—In this subsection, the term ‘dedicated
11 energy crop’ means an annual or perennial crop
12 that—

13 “(i) is grown expressly for the purpose
14 of producing a feedstock for renewable
15 biofuel, renewable electricity, or bio-based
16 products; and

17 “(ii) is not typically used for food,
18 feed, or fiber.

19 “(B) AUTHORITY.—The Corporation shall
20 offer to enter into 1 or more contracts with
21 qualified entities to carry out research and de-
22 velopment regarding a policy to insure dedi-
23 cated energy crops.

24 “(C) RESEARCH AND DEVELOPMENT.—Re-
25 search and development described in subpara-
26 graph (B) shall evaluate the effectiveness of

1 risk management tools for the production of
2 dedicated energy crops, including policies and
3 plans of insurance that—

4 “(i) are based on market prices and
5 yields;

6 “(ii) to the extent that insufficient
7 data exist to develop a policy based on
8 market prices and yields, evaluate the poli-
9 cies and plans of insurance based on the
10 use of weather or rainfall indices to protect
11 the interests of crop producers; and

12 “(iii) provide protection for production
13 or revenue losses, or both.

14 “(11) AQUACULTURE INSURANCE POLICY.—

15 “(A) DEFINITION OF AQUACULTURE.—In
16 this subsection:

17 “(i) IN GENERAL.—The term ‘aqua-
18 culture’ means the propagation and
19 rearing of aquatic species in controlled or
20 selected environments, including shellfish
21 cultivation on grants or leased bottom and
22 ocean ranching.

23 “(ii) EXCLUSION.—The term ‘aqua-
24 culture’ does not include the private ocean
25 ranching of Pacific salmon for profit in

1 any State in which private ocean ranching
2 of Pacific salmon is prohibited by any law
3 (including regulations).

4 “(B) AUTHORITY.—The Corporation shall
5 offer to enter into 1 or more contracts with
6 qualified entities to carry out research and de-
7 velopment regarding a policy to insure aqua-
8 culture operations.

9 “(C) RESEARCH AND DEVELOPMENT.—Re-
10 search and development described in subpara-
11 graph (B) shall evaluate the effectiveness of
12 risk management tools for the production of
13 fish and other seafood in aquaculture oper-
14 ations, including policies and plans of insurance
15 that—

16 “(i) are based on market prices and
17 yields;

18 “(ii) to the extent that insufficient
19 data exist to develop a policy based on
20 market prices and yields, evaluate how best
21 to incorporate insuring of aquaculture op-
22 erations into existing policies covering ad-
23 justed gross revenue; and

24 “(iii) provide protection for production
25 or revenue losses, or both.

1 “(12) ORGANIC CROP PRODUCTION COVERAGE
2 IMPROVEMENTS.—

3 “(A) IN GENERAL.—Not later than 180
4 days after the date of enactment of this para-
5 graph, the Corporation shall offer to enter into
6 1 or more contracts with qualified entities for
7 the development of improvements in Federal
8 crop insurance policies covering organic crops.

9 “(B) PRICE ELECTION.—

10 “(i) IN GENERAL.—The contracts
11 under subparagraph (A) shall include the
12 development of procedures (including any
13 associated changes in policy terms or mate-
14 rials required for implementation of the
15 procedures) to offer producers of organic
16 crops a price election that would reflect the
17 actual retail or wholesale prices, as appro-
18 priate, received by producers for organic
19 crops, as established using data collected
20 and maintained by the Agricultural Mar-
21 keting Service.

22 “(ii) DEADLINE.—The development of
23 the procedures required under clause (i)
24 shall be completed not later than the date

1 necessary to allow the Corporation to offer
2 the price election—

3 “(I) beginning in the 2009 rein-
4 surance year for organic crops with
5 adequate data available; and

6 “(II) subsequently for additional
7 organic crops as data collection for
8 those organic crops is sufficient, as
9 determined by the Corporation.

10 “(13) SKIPROW CROPPING PRACTICES.—

11 “(A) IN GENERAL.—The Corporation shall
12 offer to enter into a contract with a qualified
13 entity to carry out research into needed modi-
14 fications of policies to insure corn and sorghum
15 produced in the Central Great Plains (as deter-
16 mined by the Agricultural Research Service)
17 through use of skiprow cropping practices.

18 “(B) RESEARCH.—Research described in
19 subparagraph (A) shall—

20 “(i) review existing research on
21 skiprow cropping practices and actual pro-
22 duction history of producers using skiprow
23 cropping practices; and

1 “(ii) evaluate the effectiveness of risk
2 management tools for producers using
3 skiprow cropping practices, including—

4 “(I) the appropriateness of rules
5 in existence as of the date of enact-
6 ment of this paragraph relating to the
7 determination of acreage planted in
8 skiprow patterns; and

9 “(II) whether policies for crops
10 produced through skiprow cropping
11 practices reflect actual production ca-
12 pabilities.”.

13 **SEC. 1917. RESEARCH AND DEVELOPMENT.**

14 (a) REIMBURSEMENT AUTHORIZED.—Section 522(b)
15 of the Federal Crop Insurance Act (7 U.S.C. 1522(b)) is
16 amended by striking paragraph (1) and inserting the fol-
17 lowing:

18 “(1) RESEARCH AND DEVELOPMENT REIM-
19 BURSEMENT.—The Corporation shall provide a pay-
20 ment to reimburse an applicant for research and de-
21 velopment costs directly related to a policy that—

22 “(A) is submitted to, and approved by, the
23 Board pursuant to a FCIC reimbursement
24 grant under paragraph (7); or

25 “(B) is—

1 “(i) submitted to the Board and ap-
2 proved by the Board under section 508(h)
3 for reinsurance; and

4 “(ii) if applicable, offered for sale to
5 producers.”.

6 (b) FCIC REIMBURSEMENT GRANTS.—Section
7 522(b) of the Federal Crop Insurance Act (7 U.S.C.
8 1522(b)) is amended by adding at the end the following:

9 “(7) FCIC REIMBURSEMENT GRANTS.—

10 “(A) GRANTS AUTHORIZED.—The Cor-
11 poration shall provide FCIC reimbursement
12 grants to persons (referred to in this paragraph
13 as ‘submitters’) proposing to prepare for sub-
14 mission to the Board crop insurance policies
15 and provisions under subparagraphs (A) and
16 (B) of section 508(h)(1), that apply and are ap-
17 proved for the FCIC reimbursement grants
18 under this paragraph.

19 “(B) SUBMISSION OF APPLICATION.—

20 “(i) IN GENERAL.—The Board shall
21 receive and consider applications for FCIC
22 reimbursement grants at least once each
23 year.

24 “(ii) REQUIREMENTS.—An application
25 to receive a FCIC reimbursement grant

1 from the Corporation shall consist of such
2 materials as the Board may require, in-
3 cluding—

4 “(I) a concept paper that de-
5 scribes the proposal in sufficient detail
6 for the Board to determine whether
7 the proposal satisfies the requirements
8 of subparagraph (C); and

9 “(II) a description of —

10 “(aa) the need for the prod-
11 uct, including an assessment of
12 marketability and expected de-
13 mand among affected producers;

14 “(bb) support from pro-
15 ducers, producer organizations,
16 lenders, or other interested par-
17 ties; and

18 “(cc) the impact the product
19 would have on producers and on
20 the crop insurance delivery sys-
21 tem; and

22 “(III) a statement that no prod-
23 ucts are offered by the private sector
24 that provide the same benefits and

1 risk management services as the pro-
2 posal;

3 “(IV) a summary of data sources
4 available that demonstrate that the
5 product can reasonably be developed
6 and properly rated; and

7 “(V) an identification of the risks
8 the proposed product will cover and
9 an explanation of how the identified
10 risks are insurable under this title.

11 “(C) APPROVAL CONDITIONS.—

12 “(i) IN GENERAL.—A majority vote of
13 the Board shall be required to approve an
14 application for a FCIC reimbursement
15 grant.

16 “(ii) REQUIRED FINDINGS.—The
17 Board shall approve the application if the
18 Board finds that—

19 “(I) the proposal contained in the
20 application—

21 “(aa) provides coverage to a
22 crop or region not traditionally
23 served by the Federal crop insur-
24 ance program;

1 “(bb) provides crop insur-
2 ance coverage in a significantly
3 improved form;

4 “(cc) addresses a recognized
5 flaw or problem in the Federal
6 crop insurance program or an ex-
7 isting product;

8 “(dd) introduces a signifi-
9 cant new concept or innovation to
10 the Federal crop insurance pro-
11 gram; or

12 “(ee) provides coverage or
13 benefits not available from the
14 private sector;

15 “(II) the submitter demonstrates
16 the necessary qualifications to com-
17 plete the project successfully in a
18 timely manner with high quality;

19 “(III) the proposal is in the in-
20 terests of producers and can reason-
21 ably be expected to be actuarially ap-
22 propriate and function as intended;

23 “(IV) the Board determines that
24 the Corporation has sufficient avail-

1 able funding to award the FCIC reim-
2 bursement grant; and

3 “(V) the proposed budget and
4 timetable are reasonable.

5 “(D) PARTICIPATION.—

6 “(i) IN GENERAL.—In reviewing pro-
7 posals under this paragraph, the Board
8 may use the services of persons that the
9 Board determines appropriate to carry out
10 expert review in accordance with section
11 508(h).

“(ii) CONFIDENTIALITY.—All proposals submitted under this paragraph shall be treated as confidential in accordance with section 508(h)(4).

“(E) ENTERING INTO AGREEMENT.—Upon approval of an application, the Board shall offer to enter into an agreement with the submitter for the development of a formal submission that meets the requirements for a complete submission established by the Board under section 508(h).

23 “(F) FEASIBILITY STUDIES.—

24 “(i) IN GENERAL.—In appropriate
25 cases, the Corporation may structure the

1 FCIC reimbursement grant to require, as
2 an initial step within the overall process,
3 the submitter to complete a feasibility
4 study, and report the results of the study
5 to the Corporation, prior to proceeding
6 with further development.

7 “(ii) MONITORING.—The Corporation
8 may require such other reports as the Cor-
9 poration determines necessary to monitor
10 the development efforts.

11 “(G) RATES.—Payment for work per-
12 formed by the submitter under this paragraph
13 shall be based on rates determined by the Cor-
14 poration for products—

15 “(i) submitted under section 508(h);
16 or

17 “(ii) contracted by the Corporation
18 under subsection (c).

19 “(H) TERMINATION.—

20 “(i) IN GENERAL.—The Corporation
21 or the submitter may terminate any FCIC
22 reimbursement grant at any time for just
23 cause.

24 “(ii) REIMBURSEMENT.—If the Cor-
25 poration or the submitter terminates the

1 FCIC reimbursement grant before final ap-
2 proval of the product covered by the grant,
3 the submitter shall be entitled to—

4 “(I) reimbursement of all eligible
5 costs incurred to that point; or

6 “(II) in the case of a fixed rate
7 agreement, payment of an appropriate
8 percentage, as determined by the Cor-
9 poration.

10 “(iii) DENIAL.—If the submitter ter-
11 minates development without just cause,
12 the Corporation may deny reimbursement
13 or recover any reimbursement already
14 made.

15 “(I) CONSIDERATION OF PRODUCTS.—The
16 Board shall consider any product developed
17 under this paragraph and submitted to the
18 Board under the rules the Board has estab-
19 lished for products submitted under section
20 508(h).”.

21 (c) CONFORMING AMENDMENT.—Section 523(b)(10)
22 of the Federal Crop Insurance Act (7 U.S.C. 1523(b)(10))
23 is amended by striking “(other than research and develop-
24 ment costs covered by section 522)”.

1 **SEC. 1918. FUNDING FROM INSURANCE FUND.**

2 Section 522(e) of the Federal Crop Insurance Act (7
3 U.S.C. 1522(e)) is amended—

4 (1) in paragraph (1), by striking
5 “\$10,000,000” and all that follows through the end
6 of the paragraph and inserting “\$7,500,000 for fis-
7 cal year 2008 and each subsequent fiscal year”;

8 (2) in paragraph (2)(A), by striking
9 “\$20,000,000 for” and all that follows through
10 “year 2004” and inserting “\$12,500,000 for fiscal
11 year 2008”; and

12 (3) in paragraph (3), by striking “the Corpora-
13 tion may use” and all that follows through the end
14 of the paragraph and inserting “the Corporation
15 may use—

16 “(A) not more than \$5,000,000 for each
17 fiscal year to improve program integrity, includ-
18 ing by—

19 “(i) increasing compliance-related
20 training;

21 “(ii) improving analysis tools and
22 technology regarding compliance;

23 “(iii) use of information technology,
24 as determined by the Corporation;

25 “(iv) identifying and using innovative
26 compliance strategies; and

1 “(B) any excess amounts to carry out
2 other activities authorized under this section.”.

3 **SEC. 1919. CAMELINA PILOT PROGRAM.**

4 (a) IN GENERAL.—Section 523 of the Federal Crop
5 Insurance Act (7 U.S.C. 1523) is amended by adding at
6 the end the following:

7 “(f) CAMELINA PILOT PROGRAM.—

8 “(1) IN GENERAL.—Beginning with the 2008
9 crop year, the Corporation shall establish a pilot
10 program under which producers or processors of
11 camelina may propose for approval by the Board
12 policies or plans of insurance for camelina, in ac-
13 cordance with section 508(h).

14 “(2) DETERMINATION BY BOARD.—The Board
15 shall approve a policy or plan of insurance proposed
16 under paragraph (1) if, as determined by the Board,
17 the policy or plan of insurance—

18 “(A) protects the interests of producers;

19 “(B) is actuarially sound; and

20 “(C) meets the requirements of this title.”.

21 (b) NONINSURED CROP ASSISTANCE PROGRAM.—
22 Section 196(a)(2) of the Federal Agriculture Improvement
23 and Reform Act of 1996 (7 U.S.C. 7333(a)(2)) is amend-
24 ed by adding at the end the following:

25 “(D) CAMELINA.—

1 “(i) IN GENERAL.—For each of crop
2 years 2008 through 2011, the Secretary
3 shall consider camelina to be an eligible
4 crop for purposes of the noninsured crop
5 disaster assistance program under this sec-
6 tion.

7 “(ii) LIMITATION.—Producers that
8 are eligible to purchase camelina crop in-
9 surance, including camelina crop insurance
10 under a pilot program, shall not be eligible
11 for assistance under this section.”.

12 **SEC. 1920. RISK MANAGEMENT EDUCATION FOR BEGIN-**
13 **NING FARMERS OR RANCHERS.**

14 Section 524(a) of the Federal Crop Insurance Act (7
15 U.S.C. 1524(a)) is amended—

16 (1) in paragraph (1), by striking “paragraph
17 (4)” and inserting “paragraph (5)”;

18 (2) by redesignating paragraph (4) as para-
19 graph (5); and

20 (3) by inserting after paragraph (3) the fol-
21 lowing:

22 “(4) REQUIREMENTS.—In carrying out the pro-
23 grams established under paragraphs (2) and (3), the
24 Secretary shall place special emphasis on risk man-

1 agement strategies, education, and outreach specifi-
2 cally targeted at—

3 “(A) beginning farmers or ranchers;

4 “(B) immigrant farmers or ranchers that
5 are attempting to become established producers
6 in the United States;

7 “(C) socially disadvantaged farmers or
8 ranchers;

9 “(D) farmers or ranchers that—

10 “(i) are preparing to retire; and

11 “(ii) are using transition strategies to
12 help new farmers or ranchers get started;
13 and

14 “(E) new or established farmers or ranch-
15 ers that are converting production and mar-
16 keting systems to pursue new markets.”.

17 **SEC. 1921. AGRICULTURAL MANAGEMENT ASSISTANCE.**

18 Section 524(b)(4) of the Federal Crop Insurance Act
19 (7 U.S.C. 1524(b)(4)) is amended by adding at end the
20 following:

21 “(C) COST-SHARING.—The Secretary may
22 provide matching funds to any State described
23 in paragraph (1) that appropriates a portion of
24 the budget of the State to provide financial as-
25 sistance for producer-paid premiums for crop

1 insurance policies reinsured by the Corpora-
2 tion.”.

3 **SEC. 1922. CROP INSURANCE MEDIATION.**

4 Section 275 of the Department of Agriculture Reor-
5 ganization Act of 1994 (7 U.S.C. 6995) is amended—

6 (1) by striking “If an officer” and inserting the
7 following:

8 “(a) IN GENERAL.—If an officer”;

9 (2) by striking “With respect to” and inserting
10 the following:

11 “(b) FARM SERVICE AGENCY.—With respect to”;

12 (3) by striking “If a mediation”; and inserting
13 the following:

14 “(c) MEDIATION.—If a mediation”; and

15 (4) in subsection (c) (as so designated)—

16 (A) by striking “participant shall be of-
17 fered” and inserting “participant shall—

18 “(1) be offered”; and

19 (B) by striking the period at the end and
20 inserting the following: “; and

21 “(2) to the maximum extent practicable, be al-
22 lowed to use both informal agency review and medi-
23 ation to resolve disputes under that title.”.

1 **SEC. 1923. DROUGHT COVERAGE FOR AQUACULTURE**
2 **UNDER NONINSURED CROP ASSISTANCE**
3 **PROGRAM.**

4 Section 196(c)(2) of the Federal Agriculture Im-
5 provement and Reform Act of 1996 (7 U.S.C. 7333(c)(2))
6 is amended—

7 (1) by striking “On making” and inserting the
8 following:

9 “(A) IN GENERAL.—On making”; and

10 (2) by adding at the end the following:

11 “(B) AQUACULTURE PRODUCERS.—On
12 making a determination described in subsection
13 (a)(3) for aquaculture producers, the Secretary
14 shall provide assistance under this section to
15 aquaculture producers from all losses related to
16 drought.”.

17 **SEC. 1924. INCREASE IN SERVICE FEES FOR NONINSURED**
18 **CROP ASSISTANCE PROGRAM.**

19 Section 196(k)(1) of the Federal Agriculture Im-
20 provement and Reform Act of 1996 (7 U.S.C. 7333(k)(1))
21 is amended—

22 (1) in subparagraph (A), by striking “\$100”
23 and inserting “\$200”; and

24 (2) in subparagraph (B)—

25 (A) by striking “\$300” and inserting
26 “\$600”; and

1 (B) by striking “\$900” and inserting
2 “\$1,500”.

3 **SEC. 1925. DETERMINATION OF CERTAIN SWEET POTATO**
4 **PRODUCTION.**

5 Section 9001(d) of the U.S. Troop Readiness, Vet-
6 erans’ Care, Katrina Recovery, and Iraq Accountability
7 Appropriations Act, 2007 (Public Law 110–28; 121 Stat.
8 211) is amended—

9 (1) by redesignating paragraph (8) as para-
10 graph (9); and

11 (2) by inserting after paragraph (7) the fol-
12 lowing:

13 “(8) SWEET POTATOES.—

14 “(A) DATA.—In the case of sweet pota-
15 toes, any data obtained under a pilot program
16 carried out by the Risk Management Agency
17 shall not be considered for the purpose of deter-
18 mining the quantity of production under the
19 crop disaster assistance program established
20 under this section.

21 “(B) EXTENSION OF DEADLINE.—If this
22 paragraph is not implemented before the sign-
23 up deadline for the crop disaster assistance pro-
24 gram established under this section, the Sec-
25 retary shall extend the deadline for producers of

1 sweet potatoes to permit sign-up for the pro-
2 gram in accordance with this paragraph.”.

3 **SEC. 1926. PERENNIAL CROP REPORT.**

4 Not later than 180 days after the date of enactment
5 of this Act, the Secretary shall submit to the Committee
6 on Agriculture of the House of Representatives and the
7 Committee on Agriculture, Nutrition, and Forestry of the
8 Senate a report containing details about activities and ad-
9 ministrative options of the Federal Crop Insurance Cor-
10 poration and Risk Management Agency that address
11 issues relating to—

12 (1) declining yields on the actual production
13 histories of producers; and

14 (2) declining and variable yields for perennial
15 crops, including pecans.

16 **TITLE II—CONSERVATION**
17 **Subtitle A—Definitions**

18 **SEC. 2001. DEFINITIONS.**

19 Section 1201(a) of the Food Security Act of 1985
20 (16 U.S.C. 3801(a)) is amended—

21 (1) by redesignating paragraphs (2) through
22 (11), (12) through (15), and (16), (17), and (18) as
23 paragraphs (3) through (12), (15) through (18), and
24 (20), (22), and (23), respectively;

1 (2) by inserting after paragraph (1) the fol-
2 lowing:

3 “(2) BEGINNING FARMER OR RANCHER.—The
4 term ‘beginning farmer or rancher’ has, to the max-
5 imum extent practicable, the meaning given the term
6 in section 343(a) of the Consolidated Farm and
7 Rural Development Act (7 U.S.C. 1991(a)), except
8 that the Secretary may include in the definition of
9 the term—

10 “(A) a fair and reasonable test of net
11 worth; and

12 “(B) such other criteria as the Secretary
13 determines to be appropriate.”;

14 (3) by inserting after paragraph (12) (as redes-
15 ignated by paragraph (1)) the following:

16 “(13) INDIAN TRIBE.—The term ‘Indian tribe’
17 has the meaning given the term in section 4 of the
18 Indian Self-Determination and Education Assistance
19 Act (25 U.S.C. 450b).

20 “(14) NONINDUSTRIAL PRIVATE FOREST
21 LAND.—The term ‘nonindustrial private forest land’
22 means rural land, as determined by the Secretary,
23 that—

24 “(A) has existing tree cover or is suitable
25 for growing trees; and

1 “(B) is owned by any nonindustrial private
2 individual, group, association, corporation, In-
3 dian tribe, or other private legal entity that has
4 definitive decisionmaking authority over the
5 land.”;

6 (4) by inserting after paragraph (18) (as redes-
7 ignated by paragraph (1)) the following:

8 “(19) SOCIALLY DISADVANTAGED FARMER OR
9 RANCHER.—The term ‘socially disadvantaged farmer
10 or rancher’ has the meaning given the term in sec-
11 tion 355(e) of the Consolidated Farm and Rural De-
12 velopment Act (7 U.S.C. 2003(e)).”; and

13 (5) by inserting after paragraph (20) (as redes-
14 ignated by paragraph (1)) the following:

15 “(21) TECHNICAL ASSISTANCE.—

16 “(A) IN GENERAL.—The term ‘technical
17 assistance’ means technical expertise, informa-
18 tion, and tools necessary for the conservation of
19 natural resources on land active in agricultural,
20 forestry, or related uses.

21 “(B) INCLUSIONS.—The term ‘technical
22 assistance’ includes—

23 “(i) technical services provided di-
24 rectly to farmers, ranchers, and other eligi-
25 ble entities, such as conservation planning,

1 technical consultation, and assistance with
2 design and implementation of conservation
3 practices; and

4 “(ii) technical infrastructure, includ-
5 ing activities, processes, tools, and agency
6 functions needed to support delivery of
7 technical services, such as technical stand-
8 ards, resource inventories, training, data,
9 technology, monitoring, and effects anal-
10 yses.”.

11 **Subtitle B—Highly Erodible Land** 12 **Conservation**

13 **SEC. 2101. REVIEW OF GOOD FAITH DETERMINATIONS; EX-** 14 **EMPTIONS.**

15 Section 1212 of the Food Security Act of 1985 (16
16 U.S.C. 3812) is amended by striking subsection (f) and
17 inserting the following:

18 “(f) GRADUATED PENALTIES.—

19 “(1) INELIGIBILITY.—No person shall become
20 ineligible under section 1211 for program loans, pay-
21 ments, and benefits as a result of the failure of the
22 person to actively apply a conservation plan, if the
23 Secretary determines that the person has acted in
24 good faith and without an intent to violate this sub-
25 title.

1 “(2) ELIGIBLE REVIEWERS.—A determination
2 of the Secretary, or a designee of the Secretary,
3 under paragraph (1) shall be reviewed by the appli-
4 cable—

5 “(A) State Executive Director, with the
6 technical concurrence of the State Conserva-
7 tionist; or

8 “(B) district director, with the technical
9 concurrence of the area conservationist.

10 “(3) PERIOD FOR IMPLEMENTATION.—A person
11 who meets the requirements of paragraph (1) shall
12 be allowed a reasonable period of time, as deter-
13 mined by the Secretary, but not to exceed 1 year,
14 during which to implement the measures and prac-
15 tices necessary to be considered to be actively apply-
16 ing the conservation plan of the person.

17 “(4) PENALTIES.—

18 “(A) APPLICATION.—This paragraph ap-
19 plies if the Secretary determines that—

20 “(i) a person who has failed to comply
21 with section 1211 with respect to highly
22 erodible cropland, and has acted in good
23 faith and without an intent to violate sec-
24 tion 1211; or

25 “(ii) the violation—

1 “(I) is technical and minor in na-
2 ture; and

3 “(II) has a minimal effect on the
4 erosion control purposes of the con-
5 servation plan applicable to the land
6 on which the violation has occurred.

7 “(B) REDUCTION.—If this paragraph ap-
8 plies under subparagraph (A), the Secretary
9 shall, in lieu of applying the ineligibility provi-
10 sions of section 1211, reduce program benefits
11 described in section 1211 that the producer
12 would otherwise be eligible to receive in a crop
13 year by an amount commensurate with the seri-
14 ousness of the violation, as determined by the
15 Secretary.

16 “(5) SUBSEQUENT CROP YEARS.—Any person
17 whose benefits are reduced for any crop year under
18 this subsection shall continue to be eligible for all of
19 the benefits described in section 1211 for any subse-
20 quent crop year if, prior to the beginning of the sub-
21 sequent crop year, the Secretary determines that the
22 person is actively applying a conservation plan ac-
23 cording to the schedule specified in the plan.”.

1 **Subtitle C—Wetland Conservation**

2 **SEC. 2201. REVIEW OF GOOD FAITH DETERMINATIONS.**

3 Section 1222(h) of the Food Security Act of 1985
4 (16 U.S.C. 3822(h)) is amended—

5 (1) by redesignating paragraph (2) as para-
6 graph (3);

7 (2) by inserting after paragraph (1) the fol-
8 lowing:

9 “(2) ELIGIBLE REVIEWERS.—A determination
10 of the Secretary, or a designee of the Secretary,
11 under paragraph (1) shall be reviewed by the appli-
12 cable—

13 “(A) State Executive Director, with the
14 technical concurrence of the State Conserva-
15 tionist; or

16 “(B) district director, with the technical
17 concurrence of the area conservationist.”; and

18 (3) in paragraph (3) (as redesignated by para-
19 graph (1)), by inserting “be” before “actively”.

1 **Subtitle D—Agricultural Resources**
2 **Conservation Program**

3 **CHAPTER 1—COMPREHENSIVE**
4 **CONSERVATION ENHANCEMENT**

5 **Subchapter A—Comprehensive Conservation**
6 **Enhancement Program**

7 **SEC. 2301. REAUTHORIZATION AND EXPANSION OF PRO-**
8 **GRAMS COVERED.**

9 (a) IN GENERAL.—Section 1230 of the Food Security
10 Act of 1985 (16 U.S.C. 3830) is amended to read as fol-
11 lows:

12 **“SEC. 1230. COMPREHENSIVE CONSERVATION ENHANCE-**
13 **MENT PROGRAM.**

14 **“(a) ESTABLISHMENT.—**

15 **“(1) IN GENERAL.—**During the 1996 through
16 2012 fiscal years, the Secretary shall establish a
17 comprehensive conservation enhancement program
18 (referred to in this section as ‘CCEP’) to be imple-
19 mented through contracts and the acquisition of
20 easements to assist owners and operators of farms,
21 ranches, and nonindustrial private forestland to con-
22 serve and enhance soil, water, and related natural
23 resources, including grazing land, wetland, and wild-
24 life habitat.

1 “(2) MEANS.—The Secretary shall carry out
2 the CCEP by—

3 “(A) providing for the long-term protection
4 of environmentally-sensitive land; and

5 “(B) providing technical and financial as-
6 sistance to farmers, ranchers, and nonindustrial
7 private forest landowners—

8 “(i) to improve the management and
9 operation of the farms, ranches, and pri-
10 vate nonindustrial forest land; and

11 “(ii) to reconcile productivity and
12 profitability with protection and enhance-
13 ment of the environment;

14 “(C) reducing administrative burdens and
15 streamlining application and planning proce-
16 dures to encourage producer participation; and

17 “(D) providing opportunities to leverage
18 Federal conservation investments through inno-
19 vative partnerships with governmental agencies,
20 education institutions, producer groups, and
21 other nongovernmental organizations.

22 “(3) PROGRAMS.—The CCEP shall consist of—

23 “(A) the conservation reserve program es-
24 tablished under subchapter B;

1 “(B) the wetlands reserve program estab-
2 lished under subchapter C; and

3 “(C) the healthy forests reserve program
4 established under subchapter D.

5 “(b) CONTRACTS AND ENROLLMENTS.—

6 “(1) IN GENERAL.—In carrying out the CCEP,
7 the Secretary shall enter into contracts with owners
8 and operators and acquire interests in land through
9 easements from owners, as provided in this chapter.

10 “(2) PRIOR ENROLLMENTS.—Acreage enrolled
11 in the conservation reserve program, wetlands re-
12 serve program, or healthy forests reserve program
13 prior to the date of enactment of the Food and En-
14 ergy Security Act of 2007 shall be considered to be
15 placed into the CCEP.

16 “(c) ADMINISTRATION.—

17 “(1) LIMITATIONS.—

18 “(A) IN GENERAL.—The Secretary shall
19 not enroll more than 25 percent of the cropland
20 in any county in the programs administered
21 under subchapters B and C of this chapter.

22 “(B) EASEMENTS.—Within the limit de-
23 scribed in subparagraph (A), not more than 10
24 percent of the land described in that subpara-

1 graph may be subject to an easement acquired
2 under subchapter C of this chapter.

3 “(C) EXCLUSION.—Subparagraphs (A)
4 and (B) shall not apply to acres enrolled in the
5 special conservation reserve enhancement pro-
6 gram described in section 1234(f)(3).

7 “(D) EXCEPTIONS.—The Secretary may
8 exceed the limitation in subparagraph (A) if the
9 Secretary determines that—

10 “(i)(I) the action would not adversely
11 affect the local economy of a county; and

12 “(II) operators in the county are hav-
13 ing difficulties complying with conservation
14 plans implemented under section 1212; or

15 “(ii)(I) the acreage to be enrolled
16 could not be used for an agricultural pur-
17 pose as a result of a State or local law,
18 order, or regulation prohibiting water use
19 for agricultural production; and

20 “(II) enrollment in the program would
21 benefit the acreage enrolled or land adja-
22 cent to the acreage enrolled.

23 “(E) SHELTERBELTS AND WINDBREAKS.—
24 The limitations established under this para-
25 graph shall not apply to cropland that is subject

1 to an easement under chapter 1 or 3 that is
2 used for the establishment of shelterbelts and
3 windbreaks.

4 “(F) ENROLLMENT.—Not later than 180
5 days after the date of a request from a land-
6 owner to enroll acreage described in subpara-
7 graph (D)(ii) in the program, the Secretary
8 shall enroll the acreage.

9 “(2) TENANT PROTECTION.—Except for a per-
10 son who is a tenant on land that is subject to a con-
11 servation reserve contract that has been extended by
12 the Secretary, the Secretary shall provide adequate
13 safeguards to protect the interests of tenants and
14 sharecroppers, including provisions for sharing, on a
15 fair and equitable basis, in payments under the pro-
16 grams established under this subtitle and subtitles B
17 and C.

18 “(3) PROVISION OF TECHNICAL ASSISTANCE BY
19 OTHER SOURCES.—

20 “(A) IN GENERAL.—In the preparation
21 and application of a conservation compliance
22 plan under subtitle B or similar plan required
23 as a condition for assistance from the Depart-
24 ment of Agriculture, the Secretary shall permit
25 persons to secure technical assistance from ap-

1 proved sources, as determined by the Secretary,
2 other than the Natural Resources Conservation
3 Service.

4 “(B) REJECTION.—If the Secretary rejects
5 a technical determination made by a source de-
6 scribed in subparagraph (A), the basis of the
7 determination of the Secretary shall be sup-
8 ported by documented evidence.

9 “(4) REGULATIONS.—Not later than 90 days
10 after the date of enactment of the Food and Energy
11 Security Act of 2007, the Secretary shall promulgate
12 regulations to implement the conservation reserve
13 and wetlands reserve programs established under
14 this chapter.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 1243 of the Food Security Act of
17 1985 (16 U.S.C. 3843) is repealed.

18 (2) Section 1222(g) of the Food Security Act of
19 1985 (16 U.S.C. 3822(g)) is amended by striking
20 “1243” and inserting “1230(c)”.

21 (3) Section 1231(k)(3)(C)(i) of the Food Secu-
22 rity Act of 1985 (16 U.S.C. 3831(k)(3)(C)(i)) is
23 amended by striking “1243(b)” and inserting
24 “1230(c)(1)”.

1 **Subchapter B—Conservation Reserve**

2 **SEC. 2311. CONSERVATION RESERVE PROGRAM.**

3 (a) IN GENERAL.—Section 1231(a) of the Food Se-
4 curity Act of 1985 (16 U.S.C. 3831(a)) is amended—

5 (1) by striking “2007” and inserting “2012”;
6 and

7 (2) by striking “and wildlife” and inserting
8 “wildlife, and pollinator habitat”.

9 (b) ELIGIBLE LAND.—Section 1231(b) of the Food
10 Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

11 (1) in paragraph (1)(B), by striking the period
12 at the end and inserting a semicolon;

13 (2) in paragraph (4)—

14 (A) in subparagraph (C), by striking “; or”
15 and inserting a semicolon;

16 (B) in subparagraph (D), by striking
17 “and” at the end and inserting “or”; and

18 (C) in subparagraph (E), by inserting “in
19 the case of alfalfa or other forage crops,” before
20 “enrollment”;

21 (3) in paragraph (5), by striking the period at
22 the end and inserting a semicolon; and

23 (4) by adding at the end the following:

24 “(6) marginal pasture land or hay land that is
25 otherwise ineligible, if the land—

1 “(A) is to be devoted to native vegetation
2 appropriate to the ecological site; and

3 “(B) would contribute to the restoration of
4 a long-leaf pine forest or other declining forest
5 ecosystem, as defined by the Secretary; or

6 “(7) land that is enrolled in the flooded farm-
7 land program established under section 1235B.”.

8 (c) ENROLLMENT.—Section 1231(d) of the Food Se-
9 curity Act of 1985 (16 U.S.C. 3831(d)) is amended by
10 striking “up to” and all that follows through “2007” and
11 inserting “up to 39,200,000 acres in the conservation re-
12 serve at any 1 time during the 2008 through 2012”.

13 (d) CONSERVATION PRIORITY AREAS.—Section
14 1231(f)(1) of the Food Security Act of 1985 (16 U.S.C.
15 3831(f)(1)) is amended—

16 (1) by striking “(Pennsylvania, Maryland, and
17 Virginia)”; and

18 (2) by inserting “the Prairie Pothole Region,
19 the Grand Lake St. Mary’s Watershed, the Eastern
20 Snake Plain Aquifer,” after “Sound Region,”.

21 (e) PILOT PROGRAM FOR ENROLLMENT OF WET-
22 LAND AND BUFFER ACREAGE IN CONSERVATION RE-
23 SERVE.—Section 1231 of the Food Security Act of 1985
24 (16 U.S.C. 3831) is amended by striking subsection (h)
25 and inserting the following:

1 “(h) PILOT PROGRAM FOR ENROLLMENT OF WET-
2 LAND, SHALLOW WATER AREAS, AND BUFFER ACREAGE
3 IN CONSERVATION RESERVE.—

4 “(1) PROGRAM.—

5 “(A) IN GENERAL.—During the 2008
6 through 2012 calendar years, the Secretary
7 shall carry out a program in each State under
8 which the Secretary shall enroll eligible acreage
9 described in paragraph (2).

10 “(B) PARTICIPATION AMONG STATES.—

11 The Secretary shall ensure, to the maximum ex-
12 tent practicable, that owners and operators in
13 each State have an equitable opportunity to
14 participate in the pilot program established
15 under this subsection.

16 “(2) ELIGIBLE ACREAGE.—

17 “(A) IN GENERAL.—Subject to subpara-
18 graphs (B) through (E), an owner or operator
19 may enroll in the conservation reserve under
20 this subsection—

21 “(i)(I) a wetland (including a con-
22 verted wetland described in section
23 1222(b)(1)(A)) that had a cropping history
24 during at least 4 of the immediately pre-
25 ceding 6 crop years; or

1 “(II) a shallow water area that was
2 devoted to a commercial pond-raised aqua-
3 culture operation any year during the pe-
4 riod of calendar years 2002 through 2007;
5 and

6 “(ii) buffer acreage that—

7 “(I) is contiguous to a wetland or
8 shallow water area described in clause
9 (i);

10 “(II) is used to protect the wet-
11 land or shallow water area described
12 in clause (i); and

13 “(III) is of such width as the
14 Secretary determines is necessary to
15 protect the wetland or shallow water
16 area described in clause (i) or to en-
17 hance the wildlife benefits, taking into
18 consideration and accommodating the
19 farming practices (including the
20 straightening of boundaries to accom-
21 modate machinery) used with respect
22 to the cropland that surrounds the
23 wetland or shallow water area.

24 “(B) EXCLUSIONS.—Except for a shallow
25 water area described in paragraph (2)(A)(i), an

1 owner or operator may not enroll in the con-
2 servation reserve under this subsection—

3 “(i) any wetland, or land on a flood-
4 plain, that is, or is adjacent to, a perennial
5 riverine system wetland identified on the
6 final national wetland inventory map of the
7 Secretary of the Interior; or

8 “(ii) in the case of an area that is not
9 covered by the final national inventory
10 map, any wetland, or land on a floodplain,
11 that is adjacent to a perennial stream iden-
12 tified on a 1-24,000 scale map of the
13 United States Geological Survey.

14 “(C) PROGRAM LIMITATIONS.—

15 “(i) IN GENERAL.—The Secretary
16 may enroll in the conservation reserve
17 under this subsection not more than—

18 “(I) 100,000 acres in any 1
19 State referred to in paragraph (1);
20 and

21 “(II) not more than a total of
22 1,000,000 acres.

23 “(ii) RELATIONSHIP TO PROGRAM
24 MAXIMUM.—Subject to clause (iii), for the
25 purposes of subsection (d), any acreage en-

1 rolled in the conservation reserve under
2 this subsection shall be considered acres
3 maintained in the conservation reserve.

4 “(iii) RELATIONSHIP TO OTHER EN-
5 ROLLED ACREAGE.—Acreage enrolled
6 under this subsection shall not affect for
7 any fiscal year the quantity of—

8 “(I) acreage enrolled to establish
9 conservation buffers as part of the
10 program announced on March 24,
11 1998 (63 Fed. Reg. 14109); or

12 “(II) acreage enrolled into the
13 conservation reserve enhancement pro-
14 gram announced on May 27, 1998 (63
15 Fed. Reg. 28965).

16 “(iv) REVIEW; POTENTIAL INCREASE
17 IN ENROLLMENT ACREAGE.—Not later
18 than 3 years after the date of enactment
19 of the Food and Energy Security Act of
20 2007, the Secretary shall—

21 “(I) conduct a review of the pro-
22 gram under this subsection with re-
23 spect to each State that has enrolled
24 land in the program; and

1 “(II) notwithstanding clause
2 (i)(I), increase the number of acres
3 that may be enrolled by a State under
4 clause (i)(I) to not more than 150,000
5 acres, as determined by the Secretary.

6 “(D) OWNER OR OPERATOR LIMITA-
7 TIONS.—

8 “(i) WETLAND.—

9 “(I) IN GENERAL.—Except for a
10 shallow water area described in para-
11 graph (2)(A)(i), the maximum size of
12 any wetland described in subpara-
13 graph (A)(i) of an owner or operator
14 enrolled in the conservation reserve
15 under this subsection shall be 40 con-
16 tiguous acres.

17 “(II) COVERAGE.—All acres de-
18 scribed in subclause (I) (including
19 acres that are ineligible for payment)
20 shall be covered by the conservation
21 contract.

22 “(ii) BUFFER ACREAGE.—The max-
23 imum size of any buffer acreage described
24 in subparagraph (A)(ii) of an owner or op-
25 erator enrolled in the conservation reserve

1 under this subsection shall be determined
2 by the Secretary in consultation with the
3 State Technical Committee.

4 “(iii) TRACTS.—Except for a shallow
5 water area described in paragraph
6 (2)(A)(i), the maximum size of any eligible
7 acreage described in subparagraph (A) in a
8 tract (as determined by the Secretary) of
9 an owner or operator enrolled in the con-
10 servation reserve under this subsection
11 shall be 40 acres.

12 “(3) DUTIES OF OWNERS AND OPERATORS.—
13 Under a contract entered into under this subsection,
14 during the term of the contract, an owner or oper-
15 ator of a farm or ranch shall agree—

16 “(A) to restore the hydrology of the wet-
17 land within the eligible acreage to the maximum
18 extent practicable, as determined by the Sec-
19 retary;

20 “(B) to establish vegetative cover (which
21 may include emerging vegetation in water) on
22 the eligible acreage, as determined by the Sec-
23 retary;

24 “(C) to a general prohibition of commercial
25 use of the enrolled land; and

1 “(D) to carry out other duties described in
2 section 1232.

3 “(4) DUTIES OF THE SECRETARY.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraphs (B) and (C), in return for a con-
6 tract entered into by an owner or operator
7 under this subsection, the Secretary shall make
8 payments based on rental rates for cropland
9 and provide assistance to the owner or operator
10 in accordance with sections 1233 and 1234.

11 “(B) CONTINUOUS SIGNUP.—The Sec-
12 retary shall use continuous signup under sec-
13 tion 1234(c)(2)(B) to determine the accept-
14 ability of contract offers and the amount of
15 rental payments under this subsection.

16 “(C) INCENTIVES.—The amounts payable
17 to owners and operators in the form of rental
18 payments under contracts entered into under
19 this subsection shall reflect incentives that are
20 provided to owners and operators to enroll
21 filterstrips in the conservation reserve under
22 section 1234.”.

23 (f) BALANCE OF NATURAL RESOURCE PURPOSES.—
24 Section 1231(j) of the Food Security Act of 1985 (16

1 U.S.C. 3831(j)) is amended by striking “and wildlife” and
2 inserting “wildlife, and pollinator”.

3 (g) DUTIES OF PARTICIPANTS.—Section 1232(a) of
4 the Food Security Act of 1985 (16 U.S.C. 3832(a)) is
5 amended—

6 (1) in paragraph (4)—

7 (A) by redesignating subparagraphs (A)
8 and (B) as subparagraphs (B) and (C), respec-
9 tively; and

10 (B) by inserting before subparagraph (B)
11 (as so redesignated) the following:

12 “(A) approved vegetative cover shall en-
13 courage the planting of native species and res-
14 toration of biodiversity;”;

15 (2) by redesignating paragraphs (5) through
16 (10) as paragraphs (6) through (11), respectively;
17 and

18 (3) by inserting after paragraph (4) the fol-
19 lowing:

20 “(5) to undertake active management on the
21 land as needed throughout the term of the contract
22 to implement the conservation plan;”.

23 (h) MANAGED HARVESTING AND GRAZING.—Section
24 1232(a)(7) of the Food Security Act of 1985 (16 U.S.C.
25 3832(a)(7)) is amended—

1 (1) in the matter preceding subparagraph (A),
2 by inserting “and brood rearing” after “habitat dur-
3 ing nesting”; and

4 (2) in subparagraph (A), by striking “bio-
5 mass)” and inserting “biomass and prescribed graz-
6 ing for the control of invasive species), if such activ-
7 ity is permitted and consistent with the conservation
8 plan described in subsection (b)(1)(A))”; and

9 (i) CONSERVATION PLANS.—Section 1232(b)(1)(A)
10 of the Food Security Act of 1985 (16 U.S.C.
11 3832(b)(1)(A)) is amended by striking “contract; and”
12 and inserting the following: “contract that are—

13 “(i) compatible with the conservation
14 and improvement of soil, water, and wild-
15 life and wildlife habitat;

16 “(ii) clearly described and apply
17 throughout the duration of the contract;

18 “(iii) actively managed by the owner
19 or operator that entered into the contract;
20 and

21 “(iv) consistent with local active man-
22 agement conservation measures and prac-
23 tices, as determined by the Secretary;
24 and”.

1 (j) ACCEPTANCE OF CONTRACT OFFERS.—Section
2 1234(c) of the Food Security Act of 1985 (16 U.S.C.
3 3834(c)) is amended—

4 (1) by striking paragraph (3) and inserting the
5 following:

6 “(3) ACCEPTANCE OF CONTRACT OFFERS.—

7 “(A) EVALUATION OF OFFERS.—In deter-
8 mining the acceptability of contract offers, the
9 Secretary may take into consideration the ex-
10 tent to which enrollment of the land that is the
11 subject of the contract offer would improve soil
12 resources, water quality, pollinator, fish, or
13 wildlife habitat, or provide other environmental
14 benefits.

15 “(B) LOCAL PREFERENCE.—In deter-
16 mining the acceptability of contract offers for
17 new enrollments if, as determined by the Sec-
18 retary, the land would provide at least equiva-
19 lent conservation benefits to land under com-
20 peting offers, the Secretary shall, to the max-
21 imum extent practicable, accept an offer from
22 an owner or operator that is a resident of the
23 county in which the land is located or of a con-
24 tiguous county.”; and

25 (2) by adding at the end the following:

1 “(5) RENTAL RATES.—

2 “(A) ANNUAL ESTIMATES.—Not later than
3 1 year after the date of enactment of this para-
4 graph, the Secretary (acting through the Na-
5 tional Agricultural Statistics Service) shall con-
6 duct an annual survey of per acre estimates of
7 county average market dryland and irrigated
8 cash rental rates for cropland and pastureland
9 in all counties or equivalent subdivisions within
10 each State that have 20,000 acres or more of
11 cropland and pastureland.

12 “(B) PUBLIC AVAILABILITY OF ESTI-
13 MATES.—The estimates derived from the an-
14 nual survey conducted under subparagraph (A)
15 shall be maintained on a website of the Depart-
16 ment of Agriculture for use by the general pub-
17 lic.”.

18 (k) EARLY TERMINATION BY OWNER OR OPER-
19 ATOR.—Section 1235(e)(1) of the Food Security Act of
20 1985 (16 U.S.C. 3835(e)(1)) is amended by striking sub-
21 paragraph (A) and inserting the following:

22 “(A) IN GENERAL.—The Secretary shall
23 allow a participant to terminate a conservation
24 reserve contract at any time if, as determined
25 by the Secretary—

1 “(i) the participant entered into a
2 contract under this subchapter before Jan-
3 uary 1, 1995, and the contract has been in
4 effect for at least 5 years; or

5 “(ii) in the case of a participant who
6 is disabled (as defined in section 72(m)(7)
7 of the Internal Revenue Code of 1986) or
8 retired from farming or ranching, the par-
9 ticipant has endured financial hardship as
10 a result of the taxation of rental payments
11 received.”.

12 **SEC. 2312. FLOODED FARMLAND PROGRAM.**

13 Subchapter B of chapter 1 of subtitle D of title XII
14 of the Food Security Act of 1985 (16 U.S.C. 3831a et
15 seq.) is amended by adding at the end the following:

16 **“SEC. 1235B. FLOODED FARMLAND PROGRAM.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) CLOSED BASIN LAKE OR POTHOLE.—The
19 term ‘closed basin lake or pothole’ means a naturally
20 occurring lake, pond, pothole, or group of potholes
21 within a tract that—

22 “(A) covered, on average, at least 5 acres
23 in surface area during the preceding 3 crop
24 years, as determined by the Secretary; and

25 “(B) has no natural outlet.

1 “(2) TRACT.—The term ‘tract’ has the meaning
2 given the term by the Secretary.

3 “(b) PROGRAM.—

4 “(1) IN GENERAL.—Notwithstanding any other
5 provision of law (including regulations), as part of
6 the conservation reserve program established under
7 this subchapter, the Secretary shall offer to enter
8 into contracts under which the Secretary shall per-
9 mit the enrollment in the conservation reserve of eli-
10 gible cropland and grazing land that has been flood-
11 ed by the natural overflow of a closed basin lake or
12 pothole located within the Prairie Pothole Region of
13 the northern Great Plains priority area (as deter-
14 mined by the Secretary, by regulation).

15 “(2) EXTENSIONS.—The Secretary may offer to
16 extend a contract entered into under paragraph (1)
17 if the Secretary determines that conditions persist
18 that make cropland or grazing land covered by the
19 contract and eligible for entry into the program
20 under this section.

21 “(c) CONTINUOUS SIGNUP.—The Secretary shall
22 offer the program under this section through continuous
23 signup under this subchapter.

24 “(d) ELIGIBILITY.—

1 “(1) IN GENERAL.—To be eligible to enter into
2 a contract under subsection (b), the owner shall own
3 land that, as determined by the Secretary—

4 “(A) during the 3 crop years preceding
5 entry into the contract, was rendered incapable
6 of use for the production of an agricultural
7 commodity or for grazing purposes; and

8 “(B) prior to the natural overflow of a
9 closed basin lake or pothole caused by a period
10 of precipitation in excess of historical patterns,
11 had been consistently used for the production of
12 crops or as grazing land.

13 “(2) INCLUSIONS.—Land described in para-
14 graph (1) shall include—

15 “(A) land that has been flooded as the re-
16 sult of the natural overflow of a closed basin
17 lake or pothole;

18 “(B) land that has been rendered inaccess-
19 sible due to flooding as the result of the natural
20 overflow of a closed basin lake or pothole; and

21 “(C) a reasonable quantity of additional
22 land adjoining the flooded land that would en-
23 hance the conservation or wildlife value of the
24 tract, as determined by the Secretary.

1 “(3) ADMINISTRATION.—The Secretary may es-
2 tablish—

3 “(A) reasonable minimum acreage levels
4 for individual parcels of land that may be in-
5 cluded in a contract entered into under this sec-
6 tion; and

7 “(B) the location and area of adjoining
8 flooded land that may be included in a contract
9 entered into under this section.

10 “(e) PAYMENTS.—

11 “(1) IN GENERAL.—Subject to paragraph (2),
12 the rate of an annual rental payment under this sec-
13 tion, as determined by the Secretary—

14 “(A) shall be based on the rental rate
15 under this subchapter for cropland, and an ap-
16 propriate rental rate for pastureland; and

17 “(B) may be reduced by up to 25 percent,
18 based on the ratio of upland associated with the
19 enrollment of the flooded land.

20 “(2) EXCLUSIONS.—During the term of a con-
21 tract entered into under this section, an owner shall
22 not be eligible to participate in or receive benefits
23 for land that is included in the contract under—

1 “(A) the Federal crop insurance program
2 established under the Federal Crop Insurance
3 Act (7 U.S.C. 1501 et seq.);

4 “(B) the noninsured crop assistance pro-
5 gram established under section 196 of the Fed-
6 eral Agriculture Improvement and Reform Act
7 of 1996 (7 U.S.C. 7333); or

8 “(C) any Federal agricultural crop disaster
9 assistance program.

10 “(f) RELATIONSHIP TO AGRICULTURAL COMMODITY
11 PROGRAMS.—

12 “(1) IN GENERAL.—Subject to paragraph (2),
13 the Secretary, by regulation, shall provide for the
14 preservation of cropland base, allotment history, and
15 payment yields applicable to land that was rendered
16 incapable of use for the production of an agricul-
17 tural commodity or for grazing purposes as the re-
18 sult of the natural overflow of a closed basin lake or
19 pothole.

20 “(2) TERMINATION OF CONTRACT.—On termi-
21 nation of a contract under this section, the Secretary
22 shall adjust the cropland base, allotment history,
23 and payment yields for land covered by the contract
24 to ensure equitable treatment of the land relative to
25 program payment yields of comparable land in the

1 county that was not flooded as a result of the nat-
2 ural overflow of a closed basin lake or pothole and
3 was capable of remaining in agricultural production.

4 “(g) USE OF LAND.—An owner that has entered into
5 a contract with the Secretary under this section shall take
6 such actions as are necessary to avoid degrading any wild-
7 life habitat on land covered by the contract that has natu-
8 rally developed as a result of the natural overflow of a
9 closed basin lake or pothole.”.

10 **SEC. 2313. WILDLIFE HABITAT PROGRAM.**

11 Subchapter B of chapter 1 of subtitle D of title XII
12 of the Food Security Act of 1985 (16 U.S.C. 3831a et
13 seq.) (as amended by section 2312) is amended by adding
14 at the end the following:

15 **“SEC. 1235C. WILDLIFE HABITAT PROGRAM.**

16 “(a) IN GENERAL.—As part of the conservation re-
17 serve program established under this subchapter, the Sec-
18 retary shall carry out a program to provide to owners and
19 operators who have entered into contracts under this sub-
20 chapter and established softwood pine stands, for each of
21 fiscal years 2008 through 2012, assistance to carry out,
22 on the acreage of the owner or operator enrolled in the
23 program under this subchapter, activities that improve the
24 condition of the enrolled land for the benefit of wildlife.

1 “(b) SCOPE OF PROGRAM.—In carrying out the pro-
2 gram under this section, the Secretary shall determine—

3 “(1) the amount and rate of payments (includ-
4 ing incentive payments and cost-sharing payments)
5 to be made to owners and operators who participate
6 in the program to ensure the participation of those
7 owners and operators;

8 “(2) the areas in each of the States in which
9 owners and operators referred to in subsection (a)
10 are located that should be given priority under the
11 program, based on the need in those areas for
12 changes in the condition of land to benefit wildlife;
13 and

14 “(3) the management strategies and practices
15 (including thinning, burning, seeding, establishing
16 wildlife food plots, and such other practices that
17 have benefits for wildlife as are approved by the Sec-
18 retary) that may be carried out by owners and oper-
19 ators under the program.

20 “(c) AGREEMENTS.—

21 “(1) IN GENERAL.—An owner or operator de-
22 scribed in subsection (a) that seeks to receive assist-
23 ance under this section shall enter into an agree-
24 ment with the Secretary that—

1 “(A) describes the management strategies
2 and practices referred to in subsection (b)(3)
3 that will be carried out by the owner or oper-
4 ator under the agreement;

5 “(B) describes measures to be taken by the
6 owner or operator to ensure active but flexible
7 management of acreage covered by the agree-
8 ment;

9 “(C) requires the owner or operator to
10 submit to periodic monitoring and evaluation by
11 wildlife or forestry agencies of the State in
12 which land covered by the agreement is located;
13 and

14 “(D) contains such other terms or condi-
15 tions as the Secretary may require.

16 “(2) TERM; INCLUSION IN CONTRACT.—An
17 agreement entered into under this section shall have
18 a term of not more than 5 years.

19 “(d) PARTNERSHIPS.—In carrying out this section,
20 the Secretary may establish or identify and, as appro-
21 priate, require owners and operators participating in the
22 program under this section to work cooperatively with,
23 partnerships among the Secretary and State, local, and
24 nongovernmental organizations.

1 “(e) TECHNICAL ASSISTANCE AND COST SHARING.—
2 The Secretary may provide to owners and operators par-
3 ticipating in the program under this section, and members
4 of partnerships described in subsection (d)—

5 “(1) technical assistance for use in carrying out
6 an activity covered by an agreement described in
7 subsection (c); and

8 “(2) a payment for use in covering a percentage
9 of the costs of carrying out each such activity that
10 does not exceed the applicable amount and rate de-
11 termined by the Secretary under subsection (b)(1).

12 “(f) TERMINATION OF PROGRAM.—The program
13 under this section shall terminate on September 30,
14 2011.”.

15 **Subchapter C—Wetlands Reserve Program**

16 **SEC. 2321. WETLANDS RESERVE PROGRAM.**

17 Section 1237 of the Food Security Act of 1985 (16
18 U.S.C. 3837) is amended—

19 (1) by striking subsection (b) and inserting the
20 following:

21 “(b) ENROLLMENT CONDITIONS.—

22 “(1) ANNUAL ENROLLMENT.—To the maximum
23 extent practicable, the Secretary shall enroll 250,000
24 acres in each fiscal year, with no enrollments begin-
25 ning in fiscal year 2013.

1 “(2) METHODS OF ENROLLMENT.—

2 “(A) IN GENERAL.—Except as provided in
3 subparagraph (B), the Secretary shall enroll
4 acreage into the wetlands reserve program
5 through the use of—

6 “(i) permanent easements;

7 “(ii) 30-year easements;

8 “(iii) restoration cost-share agree-
9 ments; or

10 “(iv) any combination of the options
11 described in clauses (i) through (iii).

12 “(B) ACREAGE OWNED BY INDIAN
13 TRIBES.—In the case of acreage owned by an
14 Indian tribe, the Secretary shall enroll acreage
15 into the wetlands reserve program through the
16 use of—

17 “(i) a 30-year contract (the value of
18 which shall be equivalent to the value of a
19 30-year easement);

20 “(ii) restoration cost-share agree-
21 ments; or

22 “(iii) any combination of the options
23 described in clauses (i) and (ii).”; and

24 (2) in subsection (c), by striking “2007 cal-
25 endar” and inserting “2012 fiscal”.

1 **SEC. 2322. EASEMENTS AND AGREEMENTS.**

2 (a) TERMS OF EASEMENT.—Section 1237A(b)(2)(B)
3 of the Food Security Act of 1985 (16 U.S.C.
4 3837a(b)(2)(B)) is amended—

5 (1) in clause (i), by striking “or” at the end;

6 (2) in clause (ii), by striking “; and” and in-
7 serting “; or”; and

8 (3) by adding at the end the following:

9 “(iii) to meet habitat needs of specific
10 wildlife species; and”.

11 (b) COMPENSATION.—Section 1237A(f) of the Food
12 Security Act of 1985 (16 U.S.C. 3837a(f)) is amended—

13 (1) in the first sentence—

14 (A) by striking “Compensation” and in-
15 serting the following:

16 “(1) IN GENERAL.—Compensation”; and

17 (B) by striking “agreed to” and all that
18 follows through “encumbered by the easement”
19 and inserting “determined under paragraph
20 (4)”;

21 (2) in the second sentence, by striking “Lands”
22 and inserting the following:

23 “(2) BIDS.—Land”;

24 (3) by striking the third sentence and inserting
25 the following:

1 “(3) PAYMENTS.—Compensation may be pro-
2 vided in not more than 30 annual payments of equal
3 or unequal size, as agreed to by the owner and the
4 Secretary”; and

5 (4) by adding at the end the following:

6 “(4) METHOD FOR DETERMINATION OF
7 AMOUNT OF COMPENSATION.—Effective on the date
8 of enactment of this paragraph, the Secretary shall
9 pay the lowest amount of compensation for a con-
10 servation easement, as determined by comparison
11 of—

12 “(A) the fair market value of the land
13 based on—

14 “(i) the Uniform Standards of Profes-
15 sional Appraisal Practices; or

16 “(ii) an area-wide market analysis or
17 survey, as determined by the Secretary;

18 “(B) a geographical cap, as established
19 through a process prescribed in regulations pro-
20 mulgated by the Secretary; and

21 “(C) the offer made by the landowner.”.

22 (c) WETLANDS RESERVE ENHANCEMENT PRO-
23 GRAM.—Section 1237A of the Food Security Act of 1985
24 (16 U.S.C. 3837a) is amended by adding at the end the
25 following:

1 “(h) WETLANDS RESERVE ENHANCEMENT PRO-
2 GRAM.—

3 “(1) IN GENERAL.—The Secretary may enter
4 into 1 or more agreements with a State (including
5 a political subdivision or agency of a State), non-
6 governmental organization, or Indian tribe to carry
7 out a special wetlands reserve enhancement program
8 that the Secretary determines would advance the
9 purposes of this subchapter.

10 “(2) RESERVED RIGHTS.—Under the wetlands
11 reserve enhancement program, the Secretary may
12 use unique wetlands reserve agreements that may in-
13 clude certain compatible uses as reserved rights in
14 the warranty easement deed restriction, if using
15 those agreements is determined by the Secretary to
16 be—

17 “(A) consistent with the long-term wetland
18 protection and enhancement goals for which the
19 easement was established; and

20 “(B) in accordance with a conservation
21 plan.”.

22 (d) REPORT.—

23 (1) IN GENERAL.—Not later than January 1,
24 2010, the Secretary shall submit to the Committee
25 on Agriculture of the House of Representatives and

1 the Committee on Agriculture, Nutrition, and For-
2 estry of the Senate a report that evaluates the impli-
3 cations of the long-term nature of conservation ease-
4 ments granted under section 1237A of the Food Se-
5 curity Act of 1985 (16 U.S.C. 3837a) on resources
6 of the Department of Agriculture.

7 (2) INCLUSIONS.—The report shall include—

8 (A) data relating to the number and loca-
9 tion of conservation easements granted under
10 that section that the Secretary holds or has a
11 significant role in monitoring or managing;

12 (B) an assessment of the extent to which
13 the oversight of the conservation easement
14 agreements impacts the availability of re-
15 sources, including technical assistance;

16 (C) an assessment of the uses and value of
17 agreements with partner organizations; and

18 (D) any other relevant information relating
19 to costs or other effects that would be helpful
20 to the Committees.

21 **SEC. 2323. PAYMENTS.**

22 Section 1237D(c) of the Food Security Act of 1985
23 (16 U.S.C. 3837d(c)) is amended—

24 (1) in paragraph (1)—

1 (A) by striking “The total” and inserting
2 “Subject to section 1244(i), the total”

3 (B) by striking “easement payments” and
4 inserting “payments”;

5 (C) by striking “person” and inserting “in-
6 dividual”; and

7 (D) by inserting “or under 30-year con-
8 tracts or restoration agreements” before the pe-
9 riod at the end; and
10 (2) in paragraph (3)—

11 (A) by striking “Easement payments” and
12 inserting “Payments”; and

13 (B) by striking “the Food, Agriculture,
14 Conservation, and Trade Act of 1990, or the
15 Agricultural Act of 1949 (7 U.S.C. 1421 et
16 seq.)” and inserting “the Federal Agriculture
17 Improvement and Reform Act of 1996 (Public
18 Law 104–127; 110 Stat. 888), or the Farm Se-
19 curity and Rural Investment Act of 2002 (Pub-
20 lic Law 107–171; 116 Stat. 134)”.

1 **Subchapter D—Healthy Forests Reserve**
2 **Program**

3 **SEC. 2331. HEALTHY FORESTS RESERVE PROGRAM.**

4 (a) IN GENERAL.—Chapter 1 of subtitle D of title
5 XII of the Food Security Act of 1985 (16 U.S.C. 3831
6 et seq.) is amended by adding at the end the following:

7 **“Subchapter D—Healthy Forests Reserve**
8 **Program**

9 **“SEC. 1237M. ESTABLISHMENT OF HEALTHY FORESTS RE-**
10 **SERVE PROGRAM.**

11 “(a) ESTABLISHMENT.—The Secretary shall estab-
12 lish the healthy forests reserve program for the purpose
13 of restoring and enhancing forest ecosystems—

14 “(1) to promote the recovery of threatened and
15 endangered species;

16 “(2) to improve biodiversity; and

17 “(3) to enhance carbon sequestration.

18 “(b) COORDINATION.—The Secretary shall carry out
19 the healthy forests reserve program in coordination with
20 the Secretary of the Interior and the Secretary of Com-
21 merce.

22 **“SEC. 1237N. ELIGIBILITY AND ENROLLMENT OF LANDS IN**
23 **PROGRAM.**

24 “(a) IN GENERAL.—The Secretary, in coordination
25 with the Secretary of the Interior and the Secretary of

1 Commerce, shall describe and define forest ecosystems
2 that are eligible for enrollment in the healthy forests re-
3 serve program.

4 “(b) ELIGIBILITY.—To be eligible for enrollment in
5 the healthy forests reserve program, land shall be—

6 “(1) private land the enrollment of which will
7 restore, enhance, or otherwise measurably increase
8 the likelihood of recovery of a species listed as en-
9 dangered or threatened under section 4 of the En-
10 dangered Species Act of 1973 (16 U.S.C. 1533); and

11 “(2) private land the enrollment of which will
12 restore, enhance, or otherwise measurably improve
13 the well-being of species that—

14 “(A) are not listed as endangered or
15 threatened under section 4 of the Endangered
16 Species Act of 1973 (16 U.S.C. 1533); but

17 “(B) are candidates for such listing, State-
18 listed species, or special concern species.

19 “(c) OTHER CONSIDERATIONS.—In enrolling land
20 that satisfies the criteria under subsection (b), the Sec-
21 retary shall give additional consideration to land the en-
22 rollment of which will—

23 “(1) improve biological diversity; and

24 “(2) increase carbon sequestration.

1 “(d) ENROLLMENT BY WILLING OWNERS.—The Sec-
2 retary shall enroll land in the healthy forests reserve pro-
3 gram only with the consent of the owner of the land.

4 “(e) METHODS OF ENROLLMENT.—

5 “(1) IN GENERAL.—Land may be enrolled in
6 the healthy forests reserve program in accordance
7 with—

8 “(A) a 10-year cost-share agreement;

9 “(B) a 30-year easement; or

10 “(C) a permanent easement.

11 “(2) PROPORTION.—The extent to which each
12 enrollment method is used shall be based on the ap-
13 proximate proportion of owner interest expressed in
14 that method in comparison to the other methods.

15 “(3) ACREAGE OWNED BY INDIAN TRIBES.—In
16 the case of acreage owned by an Indian tribe, the
17 Secretary may enroll acreage into the healthy forests
18 reserve program through the use of—

19 “(A) a 30-year contract (the value of
20 which shall be equivalent to the value of a 30-
21 year easement);

22 “(B) a 10-year cost-share agreement; or

23 “(C) any combination of the options de-
24 scribed in subparagraphs (A) and (B).

25 “(f) ENROLLMENT PRIORITY.—

1 “(1) SPECIES.—The Secretary shall give pri-
2 ority to the enrollment of land that provides the
3 greatest conservation benefit to—

4 “(A) primarily, species listed as endan-
5 gered or threatened under section 4 of the En-
6 dangered Species Act of 1973 (16 U.S.C.
7 1533); and

8 “(B) secondarily, species that—

9 “(i) are not listed as endangered or
10 threatened under section 4 of the Endan-
11 gered Species Act of 1973 (16 U.S.C.
12 1533); but

13 “(ii) are candidates for such listing,
14 State-listed species, or special concern spe-
15 cies.

16 “(2) COST-EFFECTIVENESS.—The Secretary
17 shall also consider the cost-effectiveness of each
18 agreement or easement, and associated restoration
19 plans, so as to maximize the environmental benefits
20 per dollar expended.

21 **“SEC. 12370. RESTORATION PLANS.**

22 “(a) IN GENERAL.—Land enrolled in the healthy for-
23 ests reserve program shall be subject to a restoration plan,
24 to be developed jointly by the landowner and the Sec-
25 retary, in coordination with the Secretary of Interior.

1 “(b) PRACTICES.—The restoration plan shall require
2 such restoration practices as are necessary to restore and
3 enhance habitat for—

4 “(1) species listed as endangered or threatened
5 under section 4 of the Endangered Species Act of
6 1973 (16 U.S.C. 1533); and

7 “(2) animal or plant species before the species
8 reach threatened or endangered status, such as can-
9 didate, State-listed species, and special concern spe-
10 cies.

11 **“SEC. 1237P. FINANCIAL ASSISTANCE.**

12 “(a) PERMANENT EASEMENTS.—In the case of land
13 enrolled in the healthy forests reserve program using a
14 permanent easement, the Secretary shall pay to the owner
15 of the land an amount equal to not less than 75 percent,
16 nor more than 100 percent, of (as determined by the Sec-
17 retary)—

18 “(1) the fair market value of the enrolled land
19 during the period the land is subject to the ease-
20 ment, less the fair market value of the land encum-
21 bered by the easement; and

22 “(2) the actual costs of the approved conserva-
23 tion practices or the average cost of approved prac-
24 tices carried out on the land during the period in
25 which the land is subject to the easement.

1 “(b) 30-YEAR EASEMENT OR CONTRACT.—In the
2 case of land enrolled in the healthy forests reserve pro-
3 gram using a 30-year easement or contract, the Secretary
4 shall pay the owner of the land an amount equal to not
5 more than (as determined by the Secretary)—

6 “(1) 75 percent of the fair market value of the
7 land, less the fair market value of the land encum-
8 bered by the easement or contract; and

9 “(2) 75 percent of the actual costs of the ap-
10 proved conservation practices or 75 percent of the
11 average cost of approved practices.

12 “(c) 10-YEAR AGREEMENT.—In the case of land en-
13 rolled in the healthy forests reserve program using a 10-
14 year cost-share agreement, the Secretary shall pay the
15 owner of the land an amount equal to not more than (as
16 determined by the Secretary)—

17 “(1) 50 percent of the actual costs of the ap-
18 proved conservation practices; or

19 “(2) 50 percent of the average cost of approved
20 practices.

21 “(d) ACCEPTANCE OF CONTRIBUTIONS.—The Sec-
22 retary may accept and use contributions of non-Federal
23 funds to make payments under this section.

1 **“SEC. 1237Q. TECHNICAL ASSISTANCE.**

2 “(a) IN GENERAL.—The Secretary shall provide
3 landowners with technical assistance to assist the owners
4 in complying with the terms of plans (as included in agree-
5 ments or easements) under the healthy forests reserve pro-
6 gram.

7 “(b) TECHNICAL SERVICE PROVIDERS.—The Sec-
8 retary may request the services of, and enter into coopera-
9 tive agreements with, individuals or entities certified as
10 technical service providers under section 1242, to assist
11 the Secretary in providing technical assistance necessary
12 to develop and implement the healthy forests reserve pro-
13 gram.

14 **“SEC. 1237R. PROTECTIONS AND MEASURES.**

15 “(a) PROTECTIONS.—In the case of a landowner that
16 enrolls land in the program and whose conservation activi-
17 ties result in a net conservation benefit for listed, can-
18 didate, or other species, the Secretary shall make available
19 to the landowner safe harbor or similar assurances and
20 protection under—

21 “(1) section 7(b)(4) of the Endangered Species
22 Act of 1973 (16 U.S.C. 1536(b)(4)); or

23 “(2) section 10(a)(1) of that Act (16 U.S.C.
24 1539(a)(1)).

25 “(b) MEASURES.—If protection under subsection (a)
26 requires the taking of measures that are in addition to

1 the measures covered by the applicable restoration plan
2 agreed to under section 1237O, the cost of the additional
3 measures, as well as the cost of any permit, shall be con-
4 sidered part of the restoration plan for purposes of finan-
5 cial assistance under section 1237P.

6 **“SEC. 1237S. INVOLVEMENT BY OTHER AGENCIES AND OR-**
7 **GANIZATIONS.**

8 “In carrying out this subchapter, the Secretary may
9 consult with—

- 10 “(1) nonindustrial private forest landowners;
11 “(2) other Federal agencies;
12 “(3) State fish and wildlife agencies;
13 “(4) State forestry agencies;
14 “(5) State environmental quality agencies;
15 “(6) other State conservation agencies; and
16 “(7) nonprofit conservation organizations.

17 **“SEC. 1237T. AUTHORIZATION OF APPROPRIATIONS.**

18 “There are authorized to be appropriated to carry out
19 this subchapter such sums as are necessary for each of
20 fiscal years 2008 through 2012.”.

21 (b) CONFORMING AMENDMENTS.—The Healthy For-
22 ests Restoration Act of 2003 (16 U.S.C. 6501 et seq.) is
23 amended—

- 24 (1) by striking title V (16 U.S.C. 6571 et seq.);
25 and

1 (2) by redesignating title VI and section 601
2 (16 U.S.C. 6591) as title V and section 501, respec-
3 tively.

4 **CHAPTER 2—COMPREHENSIVE**
5 **STEWARDSHIP INCENTIVES PROGRAM**
6 **Subchapter A—General Provisions**

7 **SEC. 2341. COMPREHENSIVE STEWARDSHIP INCENTIVES**
8 **PROGRAM.**

9 Subtitle D of title XII of the Food Security Act of
10 1985 (16 U.S.C. 3830 et seq.) is amended by adding at
11 the end the following:

12 **“CHAPTER 6—COMPREHENSIVE**
13 **STEWARDSHIP INCENTIVES PROGRAM**
14 **“Subchapter A—Comprehensive Stewardship**
15 **Incentives Program**

16 **“SEC. 1240T. COMPREHENSIVE STEWARDSHIP INCENTIVES**
17 **PROGRAM.**

18 “(a) ESTABLISHMENT.—

19 “(1) IN GENERAL.—The Secretary shall estab-
20 lish a comprehensive stewardship incentives program
21 (referred to in this chapter as ‘CSIP’) to—

22 “(A) promote coordinated efforts within
23 conservation programs in this chapter to ad-
24 dress resources of concern, as identified at the
25 local level;

1 “(B) encourage the adoption of conserva-
2 tion practices, activities and management meas-
3 ures; and

4 “(C) promote agricultural production and
5 environmental quality as compatible goals.

6 “(2) MEANS.—The Secretary shall carry out
7 CSIP by—

8 “(A) identifying resources of concern at a
9 local level as described in subsection (b)(4);

10 “(B) entering into contracts with owners
11 and operators of agricultural and nonindustrial
12 private forest land to—

13 “(i) address natural resource con-
14 cerns;

15 “(ii) meet regulatory requirements; or

16 “(iii) achieve and maintain new con-
17 servation practices, activities and manage-
18 ment measures; and

19 “(C) providing technical assistance.

20 “(3) PROGRAMS.—CSIP shall consist of—

21 “(A) the conservation stewardship pro-
22 gram; and

23 “(B) the environmental quality incentives
24 program.

1 “(4) DEFINITION OF RESOURCE OF CON-
2 CERN.—In this chapter, the term ‘resource of con-
3 cern’ means—

4 “(A) a specific resource concern on agricul-
5 tural or nonindustrial private forest land that—

6 “(i) is identified by the Secretary in
7 accordance with subsection (b)(4);

8 “(ii) represents a significant conserva-
9 tion concern in the State to which agricul-
10 tural activities are contributing; and

11 “(iii) is likely to be addressed success-
12 fully through the implementation of con-
13 servation practices, activities, and manage-
14 ment measures by owners and operators of
15 agricultural and nonindustrial private for-
16 est land; or

17 “(B) a specific resource concern on agri-
18 cultural or nonindustrial private forest land
19 that is the subject of mandatory environmental
20 requirements that apply to a producer under
21 Federal, State, or local law.

22 “(b) ADMINISTRATION.—

23 “(1) IN GENERAL.—In carrying out CSIP, the
24 Secretary shall ensure that the conservation pro-

1 grams under this chapter are managed in a coordi-
2 nated manner.

3 “(2) PLANS.—The Secretary shall, to the max-
4 imum extent practicable, avoid duplication in the
5 conservation plans required under this chapter and
6 comparable conservation and regulatory programs,
7 including a permit acquired under an approved
8 water or air quality regulatory program.

9 “(3) TENANT PROTECTION.—The Secretary
10 shall provide adequate safeguards to protect the in-
11 terests of tenants and sharecroppers, including pro-
12 vision for sharing, on a fair and equitable basis, in
13 payments under the programs established under this
14 chapter.

15 “(4) IDENTIFICATION OF RESOURCES OF CON-
16 CERN.—

17 “(A) IN GENERAL.—The Secretary shall
18 ensure that resources of concern are identified
19 at the State level in consultation with the State
20 Technical Committee.

21 “(B) LIMITATION.—The Secretary shall
22 identify not more than 5 resources of concern
23 in a particular watershed or other appropriate
24 region or area within a State.

“(5) REGULATIONS.—Not later than 180 days after the date of enactment of the Food and Energy Security Act of 2007 the Secretary shall issue regulations to implement the programs established under this chapter.

6 **“Subchapter B—Conservation Stewardship**
7 **Program**

8 **“SEC. 1240U. PURPOSES.**

9 “The purpose of the conservation stewardship pro-
10 gram is to promote agricultural production and environ-
11 mental quality as compatible goals, and to optimize envi-
12 ronmental benefits, by assisting producers—

“(1) in promoting conservation and improving resources of concern (including soil, water, and energy conservation, soil, water, and air quality, biodiversity, fish, wildlife and pollinator habitat, and related resources of concern, as defined by the Secretary) by providing flexible assistance to install, improve, and maintain conservation systems, practices, activities, and management measures on agricultural land (including cropland, grazing land, and wetland) while sustaining production of food and fiber;

23 “(2) in making beneficial, cost-effective changes
24 to conservation systems, practices, activities, and

1 management measures carried out on agricultural
2 and forest land relating to—

3 “(A) cropping systems;

4 “(B) grazing management systems;

5 “(C) nutrient management associated with
6 livestock and crops;

7 “(D) forest management;

8 “(E) fuels management;

9 “(F) integrated pest management;

10 “(G) irrigation management;

11 “(H) invasive species management;

12 “(I) energy conservation; or

13 “(J) other management-intensive issues;

14 “(3) in complying with Federal, State, tribal,
15 and local requirements concerning—

16 “(A) soil, water, and air quality;

17 “(B) fish, wildlife, and pollinator habitat;

18 and

19 “(C) surface water and groundwater con-
20 servation;

21 “(4) in avoiding, to the maximum extent prac-
22 ticable, the need for resource and regulatory pro-
23 grams by protecting resources of concern and meet-
24 ing environmental quality criteria established by
25 Federal, State, tribal, and local agencies; and

1 “(5) by encouraging, consolidating, and stream-
2 lining conservation planning and regulatory compli-
3 ance processes to reduce administrative burdens on
4 producers and the cost of achieving environmental
5 goals.

6 **“SEC. 1240V. DEFINITIONS.**

7 “In this chapter:

8 “(1) COMPREHENSIVE CONSERVATION PLAN.—

9 The term ‘comprehensive conservation plan’ means a
10 plan produced by following the planning process out-
11 lined in the applicable National Planning Procedures
12 Handbook of the Department of Agriculture with re-
13 gard to all applicable resources of concern.

14 “(2) CONTRACT OFFER.—The term ‘contract
15 offer’ means an application submitted by a producer
16 that seeks to address 1 or more resources of concern
17 with the assistance of the program.

18 “(3) ENHANCEMENT PAYMENT.—The term ‘en-
19 hancement payment’ means a payment described in
20 section 1240X(d).

21 “(4) ELIGIBLE LAND.—The term ‘eligible land’
22 means land described in section 1240X(b).

23 “(5) LIVESTOCK.—The term ‘livestock’ means
24 dairy cattle, beef cattle, laying hens, broilers, tur-
25 keys, swine, sheep, goats, ducks, ratites, shellfish, al-

1 pacas, bison, catfish, managed pollinators, and such
2 other animals and fish as are determined by the Sec-
3 retary.

4 “(6) MANAGEMENT INTENSITY.—The term
5 ‘management intensity’ means the degree, scope,
6 and comprehensiveness of conservation systems,
7 practices, activities, or management measures adopt-
8 ed by a producer to improve and sustain the condi-
9 tion of a resource of concern.

10 “(7) PAYMENT.—The term ‘payment’ means fi-
11 nancial assistance provided to a producer under the
12 program to compensate the producers for incurred
13 costs associated with planning, materials, installa-
14 tion, labor, management, maintenance, technical as-
15 sistance, and training, the value of risk, and income
16 forgone by the producer, as applicable, including—

17 “(A) enhancement payments;

18 “(B) CSP supplemental payments; and

19 “(C) other payments provided under this
20 chapter.

21 “(8) PRACTICE.—

22 “(A) IN GENERAL.—The term ‘practice’
23 means 1 or more measures that improve or sus-
24 tain a resource of concern.

1 “(B) INCLUSIONS.—The term ‘practice’ in-
2 cludes—

3 “(i) structural measures, vegetative
4 measures, and land management measures,
5 as determined by the Secretary; and

6 “(ii) planning activities needed to im-
7 prove or sustain a resource of concern, in-
8 cluding implementation of—

9 “(I) a comprehensive conserva-
10 tion plan; and

11 “(II) a comprehensive nutrient
12 management plan.

13 “(9) PRODUCER.—The term ‘producer’ means
14 an individual who is an owner, operator, landlord,
15 tenant, or sharecropper that—

16 “(A) derives income from, and controls,
17 the production or management of an agricul-
18 tural commodity, livestock, or nonindustrial for-
19 est land regardless of ownership;

20 “(B) shares in the risk of producing any
21 crop or livestock; and

22 “(C)(i) is entitled to share in the crop or
23 livestock available for marketing from a farm
24 (or would have shared had the crop or livestock
25 been produced); or

1 “(ii) is a custom feeder or contract grower.

2 “(10) PROGRAM.—The term ‘program’ means
3 the conservation stewardship program established
4 under this chapter.

5 “(11) RESOURCE-CONSERVING CROP.—The
6 term ‘resource-conserving crop’ means—

7 “(A) a perennial grass;

8 “(B) a legume grown for use as forage,
9 seed for planting, or green manure;

10 “(C) a legume-grass mixture;

11 “(D) a small grain grown in combination
12 with a grass or legume, whether interseeded or
13 planted in succession;

14 “(E) a winter annual oilseed crop that pro-
15 vides soil protection; and

16 “(F) such other plantings as the Secretary
17 determines to be appropriate for a particular
18 area.

19 “(12) RESOURCE-CONSERVING CROP ROTA-
20 TION.—The term ‘resource-conserving crop rotation’
21 means a crop rotation that—

22 “(A) includes at least 1 resource-con-
23 serving crop;

24 “(B) reduces erosion;

25 “(C) improves soil fertility and tilth;

1 “(D) interrupts pest cycles; and

2 “(E) in applicable areas, reduces depletion
3 of soil moisture (or otherwise reduces the need
4 for irrigation).

5 “(13) RESOURCE-SPECIFIC INDICES.—The term
6 ‘resource-specific indices’ means indices developed by
7 the Secretary that measure or estimate the expected
8 level of resource and environmental outcomes of the
9 conservation systems, practices, activities, and man-
10 agement measures employed by a producer to ad-
11 dress a resource of concern on an agricultural oper-
12 ation.

13 “(14) STEWARDSHIP CONTRACT.—The term
14 ‘stewardship contract’ means a contract entered into
15 under the conservation stewardship program to carry
16 out the programs and activities described in this
17 chapter.

18 “(15) STEWARDSHIP THRESHOLD.—The term
19 ‘stewardship threshold’ means the level of natural
20 resource conservation and environmental manage-
21 ment required, as determined by the Secretary—

22 “(A) to maintain, conserve, and improve
23 the quality or quantity of a resource of concern
24 reflecting at a minimum, the resource manage-
25 ment system quality criteria described in the

1 handbooks of the Natural Resource Conserva-
2 tion Service, if available and appropriate; or

3 “(B) in the case of a resource of concern
4 that is the subject of a Federal, State, or local
5 regulatory requirement, to meet the higher of—

6 “(i) the standards that are established
7 by the requirement for the resource of con-
8 cern; or

9 “(ii) standards reflecting the resource
10 management system quality criteria de-
11 scribed in the handbooks of the Natural
12 Resource Conservation Service, if available
13 and appropriate.

14 **“SEC. 1240W. ESTABLISHMENT OF PROGRAM.**

15 “The Secretary shall establish and, for each of fiscal
16 years 2008 through 2012, carry out a conservation stew-
17 ardship program to assist producers in improving environ-
18 mental quality by addressing resources of concern in a
19 comprehensive manner through—

20 “(1) the addition of conservation systems, prac-
21 tices, activities, and management measures; and

22 “(2) the active management, maintenance, and
23 improvement of existing, and adoption of new, con-
24 servation systems, practices, activities, and manage-
25 ment measures.

1 **“SEC. 1240X. ELIGIBILITY.**

2 “(a) ELIGIBLE PRODUCERS.—

3 “(1) GENERAL PROGRAM ELIGIBILITY.—To be
4 eligible to participate in the conservation steward-
5 ship program, a producer shall—

6 “(A) submit to the Secretary for approval
7 a contract offer to participate in the program;

8 “(B) agree to receive technical services, ei-
9 ther directly from the Secretary or, at the op-
10 tion of the producer, from an approved third
11 party under section 1242(b)(3);

12 “(C) enter into a contract with the Sec-
13 retary, as described in subsection (c); and

14 “(D) demonstrate to the satisfaction of the
15 Secretary that the producer—

16 “(i) is addressing resources of concern
17 relating to both soil and water to at least
18 the stewardship threshold; and

19 “(ii) is adequately addressing other
20 resources of concern applicable to the agri-
21 cultural operation, as determined by the
22 Secretary.

23 “(b) ELIGIBLE LAND.—

24 “(1) IN GENERAL.—Except as provided in para-
25 graph (2), private agricultural land that is eligible
26 for enrollment in the program includes—

1 “(A) cropland (including vineyards and or-
2 chards);

3 “(B) pasture land;

4 “(C) rangeland;

5 “(D) other agricultural land used for the
6 production of livestock;

7 “(E) land used for agroforestry;

8 “(F) land used for aquaculture;

9 “(G) riparian areas adjacent to otherwise
10 eligible land;

11 “(H) land under the jurisdiction of an In-
12 dian tribe (as determined by the Secretary);

13 “(I) public land, if failure to enroll the
14 land in the program would defeat the purposes
15 of the program on private land that is an inte-
16 gral part of the operation enrolled or offered to
17 be enrolled in the program by the producer;

18 “(J) State and school owned land that is
19 under the effective control of a producer; and

20 “(K) other agricultural land (including
21 cropped woodland and marshes) that the Sec-
22 retary determines is vulnerable to serious
23 threats to resources of concern.

24 “(2) EXCLUSIONS.—

1 “(A) LAND ENROLLED IN OTHER CON-
2 SERVATION PROGRAMS.—The following land is
3 not eligible for enrollment in the program:

4 “(i) Land enrolled in the conservation
5 reserve program under subchapter B of
6 chapter 1.

7 “(ii) Land enrolled in the wetlands re-
8 serve program established under sub-
9 chapter C of chapter 1.

10 “(B) CONVERSION TO CROPLAND.—With
11 regard to the program, land used for crop pro-
12 duction after May 13, 2002, that had not been
13 planted, considered to be planted, or devoted to
14 crop production for at least 4 of the 6 years
15 preceding that date (except for land enrolled in
16 the conservation reserve program or that has
17 been maintained using long-term crop rotation
18 practices, as determined by the Secretary) shall
19 not be the basis for any payment under the pro-
20 gram.

21 “(3) ECONOMIC USES.—The Secretary shall not
22 restrict economic uses of land covered by a program
23 contract (including buffers and other partial field
24 conservation practices) that comply with the agree-

1 ment and comprehensive conservation plan, or other
2 applicable law.

3 “(c) CONTRACT REQUIREMENTS AND PROVISIONS.—

4 “(1) IN GENERAL.—After a determination by
5 the Secretary that a producer is eligible to partici-
6 pate in the program, and on acceptance of the con-
7 tract offer of the producer, the Secretary shall enter
8 into a contract with the producer to enroll the land
9 to be covered by the contract.

10 “(2) AGRICULTURAL OPERATIONS.—All acres of
11 all agricultural operations, whether or not contig-
12 uous, that are under the effective control of a pro-
13 ducer within a particular watershed or region (or in
14 a contiguous watershed or region) of a State and
15 constitute a cohesive management unit, as deter-
16 mined by the Secretary, at the time the producer en-
17 ters into a stewardship contract shall be covered by
18 the stewardship contract, other than land the pro-
19 ducer has enrolled in the conservation reserve pro-
20 gram or the wetlands reserve program.

21 “(3) RESOURCES OF CONCERN.—Each steward-
22 ship contract shall, at a minimum, meet or exceed
23 the stewardship threshold for at least 1 additional
24 resource of concern by the end of the stewardship
25 contract through—

1 “(A) the installation and adoption of addi-
2 tional conservation systems, practices, activities,
3 or management measures; and

4 “(B) the active management and improve-
5 ment of conservation systems, practices, activi-
6 ties, and management measures in place at the
7 operation of the producer at the time the con-
8 tract offer is accepted by the Secretary.

9 “(4) TERMS.—A contract entered into under
10 paragraph (1) shall—

11 “(A) describe the land covered by the con-
12 tract;

13 “(B) describe the practices or technical
14 services from an approved third party, to be im-
15 plemented on eligible land of the producer;

16 “(C) state the amount of payments (deter-
17 mined in accordance with subsection (f)) the
18 Secretary agrees to make to the producer each
19 year of the contract;

20 “(D) describe existing conservation sys-
21 tems, practices, activities, and management
22 measures the producer agrees to maintain,
23 manage, and improve during the term of the
24 stewardship contract in order to meet and ex-

1 ceed the appropriate stewardship threshold for
2 the resources of concern;

3 “(E) describe the additional conservation
4 systems, practices, activities, and management
5 measures the producer agrees to plan, install,
6 maintain, and manage during the term of the
7 stewardship contract in order to meet and ex-
8 ceed the appropriate stewardship threshold for
9 the appropriate resource or resources of con-
10 cern;

11 “(F) if applicable, describe the on-farm
12 conservation research, demonstration, training,
13 or pilot project activities the producer agrees to
14 undertake during the term of the contract;

15 “(G) if applicable, describe the on-farm
16 monitoring and evaluation activities the pro-
17 ducer agrees to undertake during the term of
18 the contract relating to—

19 “(i) a comprehensive conservation
20 plan; or

21 “(ii) conservation systems, practices,
22 activities, and management measures; and

23 “(H) include such other provisions as the
24 Secretary determines are necessary to ensure
25 that the purposes of the program are achieved.

1 “(5) ON-FARM RESEARCH, DEMONSTRATION,
2 TRAINING, OR PILOT PROJECTS.—The Secretary
3 may approve a stewardship contract that includes—

4 “(A) on-farm conservation research, dem-
5 onstration, and training activities; and

6 “(B) pilot projects for evaluation of new
7 technologies or innovative conservation prac-
8 tices.

9 “(6) DURATION.—A contract under this chap-
10 ter shall have a term of 5 years.

11 “(7) EVALUATION OF CONTRACT OFFERS.—In
12 evaluating contract offers made by producers to
13 enter into contracts under the program, the Sec-
14 retary shall—

15 “(A) prioritize applications based on—

16 “(i) the level of conservation treat-
17 ment on all resources of concern at the
18 time of application, based on the initial
19 scores received by the producer on applica-
20 ble resource-specific indices;

21 “(ii) the degree to which the proposed
22 conservation treatment effectively increases
23 the level of performance on applicable re-
24 source-specific indices or the level of man-
25 agement intensity with which the producer

1 addresses the designated resources of con-
2 cern;

3 “(iii) the extent to which all resources
4 of concern will exceed the stewardship
5 threshold level by the end of the contract
6 period;

7 “(iv) the extent to which resources of
8 concern in addition to resources of concern
9 will be addressed to meet and exceed the
10 stewardship threshold level by the end of
11 the contract period;

12 “(v) the extent to which the producer
13 proposes to address the goals and objec-
14 tives of State, regional, and national fish
15 and wildlife conservation plans and initia-
16 tives;

17 “(vi) whether the proposed conserva-
18 tion treatment reflects the multiple natural
19 resource and environmental benefits of
20 conservation-based farming systems, in-
21 cluding resource-conserving crop rotations,
22 advanced integrated pest management, and
23 managed rotational grazing; and

24 “(vii) whether the application includes
25 land transitioning out of the conservation

1 reserve program, on the condition that the
2 land is maintained in a grass-based system
3 and would help meet habitat needs for fish
4 and wildlife;

5 “(B) evaluate the extent to which the an-
6 ticipated environmental benefits from the con-
7 tract would be provided in the most cost-effec-
8 tive manner, relative to other similarly bene-
9 ficial contract offers;

10 “(C) reward higher levels of environmental
11 performance and management intensity;

12 “(D) develop criteria for use in evaluating
13 applications that will ensure that national,
14 State, and local conservation priorities are ef-
15 fectively addressed;

16 “(E) evaluate the extent to which the envi-
17 ronmental benefits expected to result from the
18 contract complement other conservation efforts
19 in the watershed or region; and

20 “(F) provide opportunities to agricultural
21 producers that have not previously participated
22 in Federal conservation programs, including be-
23 ginning farmers and ranchers and socially dis-
24 advantaged farmers and ranchers.

25 “(8) TERMINATION OF CONTRACTS.—

1 “(A) IN GENERAL.—

2 “(i) VOLUNTARY TERMINATION.—The
3 producer may terminate a contract entered
4 into with the Secretary under this chapter
5 if the Secretary determines that the termi-
6 nation is in the public interest.

7 “(ii) INVOLUNTARY TERMINATION.—
8 The Secretary may terminate a contract
9 under this chapter if the Secretary deter-
10 mines that the producer violated the con-
11 tract.

12 “(B) REPAYMENT.—If a contract is termi-
13 nated, the Secretary may—

14 “(i) allow the producer to retain pay-
15 ments already received under the contract
16 if—

17 “(I) the producer has complied
18 with the terms and conditions of the
19 contract; and

20 “(II) the Secretary determines
21 that allowing the producer to retain
22 the payments is consistent with the
23 purposes of the program;

24 “(ii) require repayment, in whole or in
25 part, of payments already received; and

1 “(iii) assess liquidated damages, if
2 doing so is consistent with the purposes of
3 the program.

4 “(C) TRANSFER OR CHANGE OF INTEREST
5 IN LAND SUBJECT TO A CONTRACT.—

6 “(i) IN GENERAL.—Except as pro-
7 vided in clause (ii), the transfer, or change
8 in the interest, of a producer in land sub-
9 ject to a contract under this chapter shall
10 result in the termination of the contract.

11 “(ii) TRANSFER OF DUTIES AND
12 RIGHTS.—Clause (i) shall not apply if—

13 “(I) within a reasonable period of
14 time (as determined by the Secretary)
15 after the date of the transfer or
16 change in the interest in land, the
17 transferee of the land provides written
18 notice to the Secretary that all duties
19 and rights under the contract have
20 been transferred to, and assumed by,
21 the transferee; and

22 “(II) the transferee meets the eli-
23 gibility requirements of this sub-
24 chapter.

25 “(9) MODIFICATION.—

1 “(A) IN GENERAL.—The Secretary may
2 allow a producer to modify a contract before
3 the expiration of the contract if the Secretary
4 determines that failure to modify the contract
5 would significantly interfere with achieving the
6 purposes of the program.

7 “(B) PARTICIPATION IN OTHER PRO-
8 GRAMS.—If appropriate payment reductions
9 and other adjustments (as determined by the
10 Secretary) are made to the contract of a pro-
11 ducer, the producer may remove land enrolled
12 in the conservation stewardship program for en-
13 rollment in the conservation reserve program,
14 wetlands reserve program, or other conservation
15 programs, as determined by the Secretary.

16 “(C) CHANGES IN SIZE OF OPERATION.—
17 The Secretary shall allow a producer to modify
18 a stewardship contract before the expiration of
19 the stewardship contract if the agricultural op-
20 eration of the producer has reduced or enlarged
21 in size to reflect the new acreage total.

22 “(D) NEW ACREAGE.—With respect to
23 acreage added to the agricultural operation of a
24 producer after entering into a stewardship con-
25 tract, a producer may elect to not add the acre-

1 age to the stewardship contract during the term
2 of the current stewardship contract, except that
3 such additional acreage shall be included in any
4 contract renewal.

5 “(E) CHANGES IN PRODUCTION.—The
6 Secretary shall allow a producer to modify a
7 stewardship contract before the expiration of
8 the stewardship contract if—

9 “(i) the producer has a change in pro-
10 duction that requires a change to sched-
11 uled conservation practices and activities;
12 and

13 “(ii) the Secretary determines that—

14 “(I) all relevant conservation
15 standards will be maintained or im-
16 proved; and

17 “(II) there is no increase in total
18 payment under the stewardship con-
19 tract.

20 “(10) EFFECT OF NONCOMPLIANCE DUE TO
21 CIRCUMSTANCES BEYOND THE CONTROL OF PRO-
22 DUCER.—The Secretary shall include in each con-
23 tract a provision to ensure that a producer shall not
24 be considered in violation of the contract for failure
25 to comply with the contract due to circumstances be-

1 yond the control of the producer, including a dis-
2 aster or related weather, pest, disease, or other simi-
3 lar condition, as determined by the Secretary.

4 “(11) COORDINATION WITH ORGANIC CERTIFI-
5 CATION.—

6 “(A) IN GENERAL.—Not later than 180
7 days after the date of enactment of this chap-
8 ter, the Secretary shall establish a transparent
9 and producer-friendly means by which pro-
10 ducers may coordinate and simultaneously cer-
11 tify eligibility under—

12 “(i) a stewardship contract; and

13 “(ii) the national organic production
14 program established under the Organic
15 Foods Production Act of 1990 (7 U.S.C.
16 6501 et seq.).

17 “(B) PROGRAMMATIC CONSIDERATIONS.—

18 The Secretary shall identify and implement pro-
19 grammatic considerations, including conserva-
20 tion systems, practices, activities, and manage-
21 ment measures, technical assistance, evaluation
22 of contract offers, enhancement payments, on-
23 farm research, demonstration, training, and
24 pilot projects, and data management, through
25 which to maximize the purposes of the program

1 by enrolling producers who are certified under
2 the national organic production program estab-
3 lished under the Organic Foods Production Act
4 of 1990 (7 U.S.C. 6501 et seq.).

5 “(12) RENEWAL.—At the end of a stewardship
6 contract of a producer, the Secretary shall allow the
7 producer to renew the stewardship contract for an
8 additional 5-year period if the producer—

9 “(A) demonstrates compliance with the
10 terms of the existing contract, including a dem-
11 onstration that the producer has complied with
12 the schedule for the implementation of addi-
13 tional conservation systems, practices, activities,
14 and management measures included in the
15 stewardship contract and is addressing the des-
16 ignated resources of concern to a level that
17 meets and exceeds the stewardship threshold;
18 and

19 “(B) agrees to implement and maintain
20 such additional conservation practices and ac-
21 tivities as the Secretary determines to be nec-
22 essary and feasible to achieve higher levels of
23 performance on applicable resource-specific in-
24 dices or higher levels of management intensity

1 with which the producer addresses the resources
2 of concern.

3 “(d) ENHANCEMENT PAYMENTS.—

4 “(1) LOWER PAYMENTS.—In evaluating appli-
5 cations and making payments under this chapter,
6 the Secretary shall not assign a higher priority to
7 any application because the applicant is willing to
8 accept a lower payment than the applicant would
9 otherwise be entitled to receive.

10 “(2) EVALUATION OF CONTRACT OFFERS.—

11 Nothing in this subsection relieves the Secretary of
12 the obligation, in evaluating applications for pay-
13 ments, to evaluate and prioritize the applications in
14 accordance with subsection (e)(4)), including the re-
15 quirement for contracts to be cost-effective.

16 “(3) LOWEST-COST ALTERNATIVES.—In deter-

17 mining the eligibility of a conservation system, prac-
18 tice, activity, or management measure for a payment
19 under this subsection, the Secretary shall require, to
20 the maximum extent practicable, that the lowest-cost
21 alternatives be used to achieve the purposes of the
22 contract, as determined by the Secretary.

23 “(4) METHOD OF PAYMENT.—Payments under

24 this subsection shall be made in such amounts and

1 in accordance with such time schedule as is agreed
2 on and specified in the contract.

3 “(5) ACTIVITIES QUALIFYING FOR PAY-
4 MENTS.—

5 “(A) IN GENERAL.—To receive an en-
6 hancement payment under this subsection, a
7 producer shall agree—

8 “(i) to implement additional conserva-
9 tion systems, practices, activities, and
10 management measures and maintain, man-
11 age, and improve existing conservation sys-
12 tems, practices, activities, and manage-
13 ment measures in order to maintain and
14 improve the level of performance of the
15 producer, as determined by applicable re-
16 source-specific indices, or the level of man-
17 agement intensity of the producer with re-
18 spect to resources of concern in order to
19 meet and exceed the stewardship threshold
20 for resources of concern; and

21 “(ii) to maintain, and make available
22 to the Secretary at such times as the Sec-
23 retary may request, appropriate records
24 demonstrating the effective and timely im-
25 plementation of the stewardship contract.

1 “(B) COMPENSATION.—Subject to sub-
2 paragraph (C), the Secretary shall provide an
3 enhancement payment to a producer to com-
4 pensate the producer for—

5 “(i) ongoing implementation, active
6 management, and maintenance of con-
7 servation systems, practices, activities, and
8 management measures in place on the op-
9 eration of the producer at the time the
10 contract offer of the producer is accepted;
11 and

12 “(ii) installation and adoption of addi-
13 tional conservation systems, practices, ac-
14 tivities, and management measures or im-
15 provements to conservation systems, prac-
16 tices, activities, and management measures
17 in place on the operation of the producer
18 at the time the contract offer is accepted.

19 “(C) ADJUSTMENTS.—A payment under
20 subparagraph (B) shall be adjusted to reflect—

21 “(i) management intensity; or

22 “(ii) resource-specific indices, in a
23 case in which those indices have been de-
24 veloped and implemented.

1 “(D) ON-FARM RESEARCH, DEMONSTRA-
2 TION, TRAINING, AND PILOT PROJECT PAY-
3 MENTS.—The Secretary shall provide an addi-
4 tional enhancement payment to a producer who
5 opts to participate as part of the stewardship
6 contract in an on-farm conservation research,
7 demonstration, training or pilot project certified
8 by the Secretary to compensate the producer
9 for the cost of participation.

10 “(E) RESTRICTION ON STRUCTURAL PRAC-
11 TICES.—For purposes of the conservation stew-
12 ardship program, structural practices shall be
13 eligible for payment only if the structural prac-
14 tices are integrated with and essential to sup-
15 port site-specific management activities that are
16 part of an implemented management system de-
17 signed to address 1 or more resources of con-
18 cern.

19 “(6) EXCLUSIONS.—An enhancement payment
20 to a producer under this subsection shall not be pro-
21 vided for the design, construction, or maintenance of
22 animal waste storage or treatment facilities or asso-
23 ciated waste transport or transfer devices for animal
24 feeding operations.

25 “(7) TIMING OF PAYMENTS.—

1 “(A) IN GENERAL.—The Secretary shall
2 make enhancement payments as soon as prac-
3 ticable after October 1 of each fiscal year.

4 “(B) ADDITIONAL SYSTEMS, PRACTICES,
5 ACTIVITIES, AND MANAGEMENT MEASURES.—
6 The Secretary shall make enhancement pay-
7 ments to compensate producers for installation
8 and adoption of additional conservation sys-
9 tems, practices, activities, and management
10 measures or improvements to existing conserva-
11 tion systems, practices, activities, and manage-
12 ment measures at the time at which the sys-
13 tems, practices, activities, and measures or im-
14 provements are installed and adopted.

15 “(8) RESEARCH, DEMONSTRATION, TRAINING,
16 AND PILOT PROJECT PAYMENT LIMITATIONS.—An
17 enhancement payment for research, demonstration,
18 training and pilot projects may not exceed \$25,000
19 for each 5-year term of the stewardship contract (ex-
20 cluding funding arrangements with federally recog-
21 nized Indian tribes or Alaska Native Corporations).

22 “(e) CSP SUPPLEMENTAL PAYMENTS.—

23 “(1) IN GENERAL.—The Secretary shall provide
24 additional payments to producers that, in partici-
25 pating in the conservation stewardship program,

1 agree to adopt resource-conserving crop rotations to
2 achieve optimal crop rotations as appropriate for the
3 land of the producers.

4 “(2) OPTIMAL CROP ROTATIONS.—The Sec-
5 retary shall determine whether a resource-conserving
6 crop rotation is an optimal crop rotation eligible for
7 additional payments under paragraph (1), based on
8 whether the resource-conserving crop rotation is de-
9 signed to optimize natural resource conservation and
10 production benefits, including—

11 “(A) increased efficiencies in pesticide, fer-
12 tilizer, and energy use; and

13 “(B) improved disease management.

14 “(3) ELIGIBILITY.—To be eligible to receive a
15 payment described in paragraph (1), a producer
16 shall agree to adopt and maintain optimal resource-
17 conserving crop rotations for the term of the con-
18 tract.

19 “(4) RATE.—The Secretary shall provide pay-
20 ments under this subsection at a rate that encour-
21 ages producers to adopt optimal resource-conserving
22 crop rotations.

23 “(f) LIMITATION ON PAYMENTS.—Subject to section
24 1244(i), an individual or entity may not receive, directly
25 or indirectly, payments under this subchapter that, in the

1 aggregate, exceed \$240,000 for all contracts entered into
2 under the conservation stewardship program during any
3 6-year period.

4 “(g) DUTIES OF PRODUCERS.—In order to receive
5 assistance under this chapter, a producer shall—

6 “(1) implement the terms of the contract ap-
7 proved by the Secretary;

8 “(2) not conduct any practices on the covered
9 land that would defeat the purposes of the program;

10 “(3) on the violation of a term or condition of
11 the contract at any time the producer has control of
12 the land—

13 “(A) if the Secretary determines that the
14 violation warrants termination of the contract—

15 “(i) forfeit all rights to receive pay-
16 ments under the contract; and

17 “(ii) refund to the Secretary all or a
18 portion of the payments received by the
19 owner or operator under the contract, in-
20 cluding any interest on the payments or
21 liquidated damages, as determined by the
22 Secretary;

23 “(B) if the Secretary determines that the
24 violation does not warrant termination of the
25 contract, refund to the Secretary, or accept ad-

1 justments to, the payments provided to the
2 owner or operator, as the Secretary determines
3 to be appropriate; or

4 “(C) comply with a combination of the
5 remedies authorized by subparagraphs (A) and
6 (B), as the Secretary determines to be appro-
7 priate;

8 “(4) on the transfer of the right and interest of
9 the producer in land subject to the contract (unless
10 the transferee of the right and interest agrees with
11 the Secretary to assume all obligations of the con-
12 tract) refund any cost-share payments, incentive
13 payments, and stewardship payments received under
14 the program, as determined by the Secretary;

15 “(5) supply information as required by the Sec-
16 retary to determine compliance with the contract
17 and requirements of the program; and

18 “(6) comply with such additional provisions as
19 the Secretary determines are necessary to carry out
20 the contract.

21 “(h) DUTIES OF SECRETARY.—

22 “(1) IN GENERAL.—To achieve the conservation
23 and environmental goals of a contract under this
24 chapter, to the extent appropriate, the Secretary
25 shall—

1 “(A) provide to a producer information
2 and training to aid in implementation of the
3 conservation systems, practices, activities, and
4 management measures covered by the contract;

5 “(B) develop agreements with govern-
6 mental agencies, nonprofit organizations, and
7 private entities to facilitate the provision of
8 technical and administrative assistance and
9 services;

10 “(C) make the program available to eligible
11 producers on a continuous enrollment basis;

12 “(D) when identifying biodiversity or fish
13 and wildlife as a resource of concern for a par-
14 ticular watershed or other appropriate region or
15 area within a State, ensure that the identifica-
16 tion—

17 “(i) is specific with respect to par-
18 ticular species or habitat; and

19 “(ii) would further the goals and ob-
20 jectives of State, regional, and national
21 fish and wildlife conservation plans and
22 initiatives;

23 “(E) provide technical assistance and pay-
24 ments for each of fiscal years 2008 through
25 2012;

1 “(F) maintain contract and payment data
2 relating to the conservation stewardship pro-
3 gram in a manner that provides detailed and
4 segmented data and allows for quantification of
5 the amount of payments made to producers
6 for—

7 “(i) the installation and adoption of
8 additional conservation systems, practices,
9 activities, or management measures;

10 “(ii) participating in research, dem-
11 onstration, training, and pilot projects;

12 “(iii) the development, monitoring,
13 and evaluation of comprehensive conserva-
14 tion plans; and

15 “(iv) the maintenance and active man-
16 agement of conservation systems, practices,
17 activities, and management measures, and
18 the improvement of conservation practices,
19 in place on the operation of the producer
20 on the date on which the contract offer is
21 accepted by the Secretary;

22 “(G) develop resource-specific indices for
23 purposes of determining eligibility and pay-
24 ments; and

1 “(H) establish and publicize design proto-
2 cols and application procedures for individual
3 producer and collaborative on-farm research,
4 demonstration, training, and pilot projects.

5 “(2) SPECIALTY CROP PRODUCERS.—The Sec-
6 retary shall ensure that outreach and technical as-
7 sistance are available and program specifications are
8 appropriate to enable specialty crop producers to
9 participate in the conservation stewardship program.

10 “(3) ADDITIONAL REQUIREMENTS.—For the
11 period beginning on the date of enactment of this
12 chapter and ending on September 30, 2017, with re-
13 spect to eligible land of producers participating in
14 the program, the Secretary shall—

15 “(A) to the maximum extent practicable,
16 enroll an additional 13,273,000 acres for each
17 fiscal year, but not to exceed 79,638,000 acres;

18 “(B) implement the program nationwide to
19 make the program available to producers meet-
20 ing the eligibility requirements in each county;

21 “(C) to the maximum extent practicable,
22 manage the program to achieve a national aver-
23 age annual cost per acre of \$19, which shall in-
24 clude the costs of all financial assistance, tech-
25 nical assistance, and any other expenses associ-

1 ated with enrollment or participation in the pro-
2 gram of those acres; and

3 “(D) establish a minimum contract value,
4 to ensure equity for small acreage farms, in-
5 cluding specialty crop and organic producers.

6 “(i) ACRE ALLOCATION.—

7 “(1) INITIAL ALLOCATIONS TO STATES.—In
8 making allocations of acres to States to enroll in the
9 conservation stewardship program, to the maximum
10 extent practicable, the Secretary shall allocate to
11 each State a number of acres equal to the proportion
12 that—

13 “(A) the number of acres of eligible land
14 in the State; bears to

15 “(B) the number of acres of eligible land
16 in all States.

17 “(2) MINIMUM ACRE ALLOCATION.—Of the
18 acres allocated for each fiscal year, no State shall
19 have allocated fewer than the lesser of—

20 “(A) 20,000 acres; or

21 “(B) 2.2 percent of the number of acres of
22 eligible land in the State.

23 “(3) REALLOCATION TO STATES.—For any fis-
24 cal year, acres not obligated under this subsection by

1 a date determined by the Secretary through rule-
2 making shall be reallocated to each State that—

3 “(A) has obligated 100 percent of the ini-
4 tial allocation of the State; and

5 “(B) requests additional acres.

6 **“SEC. 1240Y. REGULATIONS.**

7 “Not later than 180 days after the date of enactment
8 of this chapter, the Secretary shall promulgate such regu-
9 lations as are necessary to carry out the program, includ-
10 ing regulations that—

11 “(1) provide for adequate safeguards to protect
12 the interests of tenants and sharecroppers, including
13 provision for sharing payments, on a fair and equi-
14 table basis;

15 “(2) prescribe such other rules as the Secretary
16 determines to be necessary to ensure a fair and rea-
17 sonable application of the program; and

18 “(3) to the maximum extent practicable, elimi-
19 nate duplication of planning activities under the pro-
20 gram and comparable conservation programs.”.

21 **Subchapter B—Environmental Quality**

22 **Incentives Program**

23 **SEC. 2351. PURPOSES.**

24 Section 1240 of the Food Security Act of 1985 (16
25 U.S.C. 3839aa) is amended—

1 (1) in the matter preceding paragraph (1), by
2 inserting “, forest management,” after “agricultural
3 production”;

4 (2) in paragraph (3)—

5 (A) by inserting “, forest land,” after
6 “grazing land”; and

7 (B) by inserting “pollinators,” after “wet-
8 land,”; and

9 (3) in paragraph (4)—

10 (A) by inserting “fuels management, forest
11 management,” after “grazing management,”;
12 and

13 (B) by inserting “and forested” after “ag-
14 ricultural”.

15 **SEC. 2352. DEFINITIONS.**

16 (a) **ELIGIBLE LAND.**—Section 1240A(2) of the Food
17 Security Act of 1985 (16 U.S.C. 3838aa–1(2)) is amend-
18 ed—

19 (1) in subparagraph (A), by striking “commod-
20 ities or livestock” and inserting “commodities, live-
21 stock, or forest-related products”; and

22 (2) in subparagraph (B)—

23 (A) by striking clause (v) and inserting the
24 following:

1 “(v) nonindustrial private forest
2 land;”;

3 (B) by redesignating clause (vi) as clause
4 (vii); and

5 (C) by inserting after clause (v) the fol-
6 lowing:

7 “(vi) land used for pond-raised aqua-
8 culture production; and”.

9 (b) LAND MANAGEMENT PRACTICE.—Section
10 1240A(3) of the Food Security Act of 1985 (16 U.S.C.
11 3838aa–1(3)) is amended—

12 (1) by striking “The term” and inserting the
13 following:

14 “(A) IN GENERAL.—The term”;

15 (2) by inserting “fuels management, forest
16 management,” after “grazing management”; and

17 (3) by adding at the end the following:

18 “(B) FOREST MANAGEMENT.—For pur-
19 poses of subparagraph (A), forest management
20 practices may include activities that the Sec-
21 retary determines are necessary—

22 “(i) to improve water, soil, or air
23 quality;

24 “(ii) to restore forest biodiversity;

25 “(iii) to control invasive species;

1 “(iv) to improve wildlife habitat; or

2 “(v) to achieve conservation priorities
3 identified in an applicable forest resource
4 assessment and plan.”.

5 (c) PRACTICE.—Section 1240A(5) of the Food Secu-
6 rity Act of 1985 (16 U.S.C. 3838aa–1(5)) is amended by
7 inserting “conservation planning practices,” after “land
8 management practices,”.

9 (d) CUSTOM FEEDING BUSINESS.—Section 1240A of
10 the Food Security Act of 1985 (16 U.S.C. 3838aa–1) is
11 amended—

12 (1) by redesignating paragraph (6) as para-
13 graph (7); and

14 (2) by inserting after paragraph (5) the fol-
15 lowing:

16 “(6) PRODUCER.—The term ‘producer’ includes
17 a custom feeding business and a contract grower or
18 finisher.”.

19 (e) STRUCTURAL PRACTICE.—Paragraph (7)(A) of
20 section 1240A of the Food Security Act of 1985 (16
21 U.S.C. 3838aa–1) (as redesignated by subsection (d)(1))
22 is amended by inserting “firebreak, fuelbreak,” after “con-
23 structed wetland,”.

1 **SEC. 2353. ESTABLISHMENT AND ADMINISTRATION OF EN-**
2 **VIRONMENTAL QUALITY INCENTIVES PRO-**
3 **GRAM.**

4 (a) ESTABLISHMENT.—Section 1240B(a) of the
5 Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)) is
6 amended—

7 (1) in paragraph (1), by striking “2010” and
8 inserting “2012”; and

9 (2) in paragraph (2)(B), by inserting “con-
10 servation plan or” after “develops a”.

11 (b) PRACTICES AND TERM.—Section 1240B(b) of the
12 Food Security Act of 1985 (16 U.S.C. 3839aa–2(b)) is
13 amended—

14 (1) in paragraph (1), by inserting “conservation
15 planning practices,” after “land management prac-
16 tices,”; and

17 (2) in paragraph (2)(B), by striking “10” and
18 inserting “5”.

19 (c) ESTABLISHMENT AND ADMINISTRATION.—Sec-
20 tion 1240B of the Food Security Act of 1985 (16 U.S.C.
21 3839aa–2) is amended—

22 (1) by striking subsection (c);

23 (2) in subsection (d)—

24 (A) in paragraph (2), by striking subpara-
25 graph (A) and inserting the following:

1 “(A) SOCIALLY DISADVANTAGED FARMERS
2 OR RANCHERS AND BEGINNING FARMERS OR
3 RANCHERS.—

4 “(i) IN GENERAL.—In the case of a
5 producer that is a socially disadvantaged
6 farmer or rancher or a beginning farmer or
7 rancher, the Secretary may increase the
8 amount that would otherwise be provided
9 to the producer under paragraph (1) to—

10 “(I) not more than 90 percent;
11 and

12 “(II) not less than 15 percent
13 above the otherwise applicable rate.

14 “(ii) ADVANCE PAYMENTS.—Not more
15 than 30 percent of the amount determined
16 under clause (i) may be provided in ad-
17 vance for the purpose of purchasing mate-
18 rials or contracting.”;

19 (B) by striking paragraph (3) and insert-
20 ing the following:

21 “(3) OTHER PAYMENTS.—A producer shall not
22 be eligible for cost-share payments for practices on
23 eligible land under the program if the producer re-
24 ceives cost-share payments or other benefits for the

1 same practice on the same land under another pro-
2 gram.”; and

3 (C) by adding at the end the following:

4 “(4) GUARANTEED LOAN ELIGIBILITY.—Not-
5 withstanding section 333(1) of the Consolidated
6 Farm and Rural Development Act (7 U.S.C.
7 1983(1)), with respect to the cost of a loan, a pro-
8 ducer with an application that meets the standards
9 for a cost-share payment under this subsection but
10 that is not approved by the Secretary shall receive
11 priority consideration for a guaranteed loan under
12 section 304 of that Act (7 U.S.C. 1924).”;

13 (3) in subsection (e), by striking paragraph (2)
14 and inserting the following:

15 “(2) SPECIAL RULE.—In determining the
16 amount and rate of incentive payments, the Sec-
17 retary may accord great significance to a practice
18 that promotes residue, nutrient, air quality, pest, or
19 predator deterrence, including practices to deter
20 predator species protected under the Endangered
21 Species Act of 1973 (16 U.S.C. 1531 et seq.), gray
22 wolves, grizzly bears, and black bears.”;

23 (4) in subsection (g), by striking “2007” and
24 inserting “2012”;

1 (5) by redesignating subsections (d) through (h)
2 as subsections (c) through (g), respectively; and

3 (6) by adding at the end the following:

4 “(h) WATER CONSERVATION OR IRRIGATION EFFI-
5 CIENCY PRACTICE.—

6 “(1) IN GENERAL.—The Secretary may provide
7 technical assistance, cost-share payments, and incen-
8 tive payments to a producer for a water conservation
9 or irrigation practice.

10 “(2) PRIORITY.—In providing assistance and
11 payments to producers for a water conservation or
12 irrigation practice, the Secretary may give priority
13 to applications in which—

14 “(A) there is an improvement in surface
15 flows or a reduction in the use of groundwater
16 in the agricultural operation of the producer,
17 consistent with the law of the State in which
18 the operation of the producer is located; or

19 “(B) the producer agrees not to use any
20 associated water savings to bring new land,
21 other than incidental land needed for efficient
22 operations, under irrigated production, unless
23 the producer is participating in a watershed-
24 wide project that will effectively conserve water,
25 as determined by the Secretary.”.

1 **SEC. 2354. EVALUATION OF OFFERS AND PAYMENTS.**

2 Section 1240C of the Food Security Act of 1985 (16
3 U.S.C. 3839aa–3) is amended—

4 (1) in paragraph (1), by striking “and” at the
5 end;

6 (2) by redesignating paragraph (2) as para-
7 graph (3); and

8 (3) by inserting after paragraph (1) the fol-
9 lowing:

10 “(2) improve conservation practices in place on
11 the operation of the producer at the time the con-
12 tract offer is accepted; and”.

13 **SEC. 2355. DUTIES OF PRODUCERS.**

14 Section 1240D(2) of the Food Security Act of 1985
15 (16 U.S.C. 3839aa–4(2)) is amended by striking “farm
16 or ranch” and inserting “farm, ranch, or forest land”.

17 **SEC. 2356. ENVIRONMENTAL QUALITY INCENTIVES PRO-**
18 **GRAM PLAN.**

19 Section 1240E(a) of the Food Security Act of 1985
20 (16 U.S.C. 3839aa–5(a)) is amended—

21 (1) in the matter preceding paragraph (1), by
22 inserting “, or an entity described in section 1244(e)
23 acting on behalf of producers,” after “producer”;

24 (2) in paragraph (2), by striking “and” after
25 the semicolon at the end;

1 (3) in paragraph (3), by striking the period at
2 the end and inserting “; and”; and

3 (4) by adding at the end the following:

4 “(4) in the case of forest land, is consistent
5 with a forest management plan that is approved by
6 the Secretary, which may include—

7 “(A) a forest stewardship plan described in
8 section 5 of the Cooperative Forestry Assist-
9 ance Act of 1978 (16 U.S.C. 2103a);

10 “(B) another practice plan approved by the
11 State forester; or

12 “(C) another plan determined appropriate
13 by the Secretary.”.

14 **SEC. 2357. LIMITATION ON PAYMENTS.**

15 Section 1240G of the Food Security Act of 1985 (16
16 U.S.C. 3839aa–7) is amended—

17 (1) by striking “An individual” and inserting

18 “(a) IN GENERAL.—Subject to section 1244(i), an
19 individual”; and

20 (2) by adding at the end the following:

21 “(b) PRODUCER ORGANIZATIONS.—In the case of an
22 entity described in section 1244(e), the limitation estab-
23 lished under this section shall apply to each participating
24 producer and not to the entity described in section
25 1244(e).”.

1 **SEC. 2358. CONSERVATION INNOVATION GRANTS.**

2 Section 1240H of the Food Security Act of 1985 (16
3 U.S.C. 3839aa–8) is amended—

4 (1) by striking subsection (a) and inserting the
5 following:

6 “(a) IN GENERAL.—The Secretary may pay the cost
7 of competitive grants that leverage Federal investment in
8 environmental enhancement and protection through the
9 program by—

10 “(1) stimulating the development of innovative
11 technologies; and

12 “(2) transferring those technologies to agricul-
13 tural and nonindustrial private forest land in pro-
14 duction.”; and

15 (2) in subsection (b), by striking paragraph (2)
16 and inserting the following:

17 “(2)(A) implement innovative conservation tech-
18 nologies, such as market systems for pollution reduc-
19 tion and practices for the storing of carbon in the
20 soil;

21 “(B) provide a mechanism for transferring
22 those technologies to agricultural and nonindustrial
23 private forest land in production; and

24 “(C) increase environmental and resource con-
25 servation benefits through specialty crop production;
26 and”.

1 **SEC. 2359. GROUND AND SURFACE WATER CONSERVATION.**

2 Section 1240I of the Food Security Act of 1985 (16
3 U.S.C. 3839aa–9) is amended to read as follows:

4 **“SEC. 1240I. GROUND AND SURFACE WATER CONSERVA-**
5 **TION.**

6 “(a) PURPOSES.—The purposes of this section are—

7 “(1) to improve irrigation systems;

8 “(2) to enhance irrigation efficiencies;

9 “(3) to assist producers in converting to—

10 “(A) the production of less water-intensive
11 agricultural commodities; or

12 “(B) dryland farming;

13 “(4) to improve water storage capabilities
14 through measures such as water banking and
15 groundwater recharge and other related activities;

16 “(5) to mitigate the effects of drought;

17 “(6) to enhance fish and wildlife habitat associ-
18 ated with irrigation systems, including pivot corners
19 and areas with irregular boundaries;

20 “(7) to conduct resource condition assessment
21 and modeling relating to water conservation;

22 “(8) to assist producers in developing water
23 conservation plans; and

24 “(9) to promote any other measures that im-
25 prove groundwater and surface water conservation,
26 as determined by the Secretary.

1 “(b) DEFINITIONS.—In this section:

2 “(1) PARTNER.—

3 “(A) IN GENERAL.—The term ‘partner’
4 means an entity that enters into a partnership
5 agreement with the Secretary to carry out
6 water conservation activities on a regional scale.

7 “(B) INCLUSIONS.—The term ‘partner’ in-
8 cludes—

9 “(i) an agricultural or silvicultural
10 producer association or other group of pro-
11 ducers;

12 “(ii) a State or unit of local govern-
13 ment, including an irrigation company and
14 a water district and canal company; or

15 “(iii) a federally recognized Indian
16 tribe.

17 “(2) PARTNERSHIP AGREEMENT.—The term
18 ‘partnership agreement’ means a cooperative or con-
19 tribution agreement entered into between the Sec-
20 retary and a partner.

21 “(3) REGIONAL WATER CONSERVATION ACTIV-
22 ITY.—The term ‘regional water conservation activity’
23 means a water conservation activity carried out on
24 a regional or other appropriate level, as determined
25 by the Secretary, to benefit agricultural land.

1 “(c) ESTABLISHMENT.—In carrying out the program
2 under this chapter, the Secretary shall promote ground
3 and surface water conservation—

4 “(1) by providing cost-share assistance and in-
5 centive payments to producers to carry out water
6 conservation activities with respect to the agricul-
7 tural operations of producers; and

8 “(2) by working cooperatively with partners, in
9 accordance with subsection (d), on a regional level to
10 benefit working agricultural land.

11 “(d) PARTNERSHIP AGREEMENTS.—

12 “(1) IN GENERAL.—The Secretary may enter
13 into partnership agreements to meet the objectives
14 of the program under this chapter.

15 “(2) APPLICATIONS.—An application to the
16 Secretary to enter into an agreement under para-
17 graph (1) shall include—

18 “(A) a description of—

19 “(i) the geographical area;

20 “(ii) the current conditions;

21 “(iii) the water conservation objectives

22 to be achieved; and

23 “(iv) the expected level of participa-

24 tion by producers;

1 “(B) a description of the partners collabo-
2 rating to achieve the project objectives and the
3 roles, responsibilities, and capabilities of each
4 partner;

5 “(C) a description of—

6 “(i) the program resources requested
7 from the Secretary; and

8 “(ii) the non-Federal resources that
9 will be leveraged by the Federal contribu-
10 tion; and

11 “(D) other such elements as the Secretary
12 considers necessary to adequately evaluate and
13 competitively select applications for award.

14 “(e) DUTIES OF THE SECRETARY.—

15 “(1) WATER CONSERVATION ACTIVITIES BY
16 PRODUCERS.—The Secretary shall select water con-
17 servation projects proposed by producers according
18 to applicable requirements under the environmental
19 quality incentives program established under this
20 chapter.

21 “(2) REGIONAL WATER CONSERVATION ACTIVI-
22 TIES.—

23 “(A) COMPETITIVE PROCESS.—The Sec-
24 retary shall conduct a competitive process to se-

1 lect the regional water conservation activities
2 for funding under this section.

3 “(B) PUBLIC AVAILABILITY.—In carrying
4 out the process, the Secretary shall make public
5 the criteria used in evaluating applications.

6 “(C) PRIORITY.—The Secretary may give
7 a higher priority to proposals from partners
8 that—

9 “(i) include high percentages of agri-
10 cultural land and producers in a region or
11 other appropriate area;

12 “(ii) result in high levels of on-the-
13 ground water conservation activities;

14 “(iii) significantly enhance agricul-
15 tural activity and related economic develop-
16 ment;

17 “(iv) allow for monitoring and evalua-
18 tion; and

19 “(v) assist producers in meeting Fed-
20 eral, State and local regulatory require-
21 ments.

22 “(D) ADMINISTRATION.—The Secretary
23 shall ensure that resources made available for
24 regional water conservation activities under this

1 section are delivered in accordance with applica-
2 ble program rules.

3 “(f) EASTERN SNAKE PLAIN AQUIFER PILOT.—

4 “(1) IN GENERAL.—Of amounts made available
5 under subsection (h), the Secretary shall reserve
6 \$2,000,000, to remain available until expended, for
7 regional water conservation activities in the Eastern
8 Snake Aquifer Region.

9 “(2) APPROVAL.—The Secretary may approve
10 regional water conservation activities under this sub-
11 section that address, in whole or in part, water qual-
12 ity issues.

13 “(g) CONSISTENCY WITH STATE LAW.—Any water
14 conservation activity conducted under this section shall be
15 consistent with applicable State water law.

16 “(h) FUNDING.—

17 “(1) AVAILABILITY OF FUNDS.—Of the funds
18 of the Commodity Credit Corporation, in addition to
19 amounts made available under section 1241(a) to
20 carry out this chapter, the Secretary shall use
21 \$60,000,000 for each of fiscal years 2008 through
22 2012.

23 “(2) LIMITATION.—None of the funds made
24 available for regional water conservation activities

1 under this section may be used to pay for the ad-
2 ministrative expenses of partners.”.

3 **SEC. 2360. ORGANIC CONVERSION.**

4 The Food Security Act of 1985 is amended by insert-
5 ing after section 1240I (16 U.S.C. 3839aa–9) the fol-
6 lowing:

7 **“SEC. 1240J. ORGANIC CONVERSION.**

8 “(a) DEFINITIONS.—In this section:

9 “(1) NATIONAL ORGANIC PROGRAM.—The term
10 ‘national organic program’ means the national or-
11 ganic program established under the Organic Foods
12 Production Act of 1990 (7 U.S.C. 6501 et. seq.).

13 “(2) ORGANIC SYSTEM PLAN.—The term ‘or-
14 ganic system plan’ means an organic plan approved
15 under the national organic program.

16 “(b) ESTABLISHMENT.—Under the environmental
17 quality incentives program established under this chapter,
18 not later than 180 days after the date of enactment of
19 this section, the Secretary shall establish a program under
20 which the Secretary shall provide cost-share and incentive
21 payments to producers to promote conservation practices
22 and activities for production systems undergoing conver-
23 sion on some or all of the operations of the producer to
24 organic production in accordance with the Organic Foods
25 Production Act of 1990 (7 U.S.C. 6501 et seq.).

1 “(c) ORGANIC CONVERSION COST-SHARE AND IN-
2 CENTIVE PAYMENTS.—The Secretary shall provide or-
3 ganic conversion cost-share and incentive payments to pro-
4 ducers that—

5 “(1) are converting to organic production sys-
6 tems, including producers with existing certified or-
7 ganic production for conversion to organic produc-
8 tion of land and livestock not previously certified or-
9 ganic; and

10 “(2) enter into contracts with the Secretary for
11 eligible practices and activities described in sub-
12 section (d).

13 “(d) ELIGIBLE PRACTICES AND ACTIVITIES.—Pro-
14 ducers may use funds made available under subsection (c)
15 for—

16 “(1) practices and activities during conversion
17 to certified organic production that—

18 “(A) are required by, or consistent with,
19 an approved organic system plan; and

20 “(B) protect resources of concern, as iden-
21 tified by the Secretary;

22 “(2) technical services, including the costs of
23 developing an approved organic system plan; and

1 “(3) such other measures as the Secretary de-
2 termines to be appropriate and consistent with an
3 approved organic system plan.

4 “(e) ELIGIBLE PRODUCERS.—To be eligible to re-
5 ceive cost-share and incentive payments under this section,
6 a producer shall agree—

7 “(1) to develop and carry out conservation and
8 environmental activities that—

9 “(A) are required by, or consistent with,
10 an approved organic system plan; and

11 “(B) protect resources of concern, as iden-
12 tified by the Secretary;

13 “(2) to receive technical and educational assist-
14 ance from the Secretary or from an organization, in-
15 stitute, or consultant with a cooperative agreement
16 with the Secretary relating to—

17 “(A) the development of an organic system
18 plan and the implementation of conservation
19 practices and activities that are part of an or-
20 ganic system plan; or

21 “(B) other aspects of an organic system
22 plan, including marketing, credit, business, and
23 risk management plans; and

24 “(3) to submit annual verification by a certi-
25 fying entity accredited by the Secretary to determine

1 the compliance of the producer with organic certifi-
2 cation requirements.

3 “(f) TERM.—A contract under this section shall have
4 a term of—

5 “(1) not less than 3 years; and

6 “(2) not more than 4 years.

7 “(g) LIMITATIONS ON PAYMENTS.—As part of the
8 payment limitation described in section 1240G, an indi-
9 vidual or entity may not receive, directly or indirectly,
10 cost-share or incentive payments under this section—

11 “(1) for a period of more than 4 years; or

12 “(2) that, in the aggregate and exclusive of
13 technical assistance, exceed—

14 “(A) \$20,000 per year; or

15 “(B) a total amount of \$80,000.

16 “(h) TERMINATION OF CONTRACTS.—The Secretary
17 may cancel or otherwise nullify a contract entered into
18 under this section if the Secretary determines the pro-
19 ducers are not pursuing organic certification.”.

20 **SEC. 2361. CHESAPEAKE BAY WATERSHED CONSERVATION**
21 **PROGRAM.**

22 The Food Security Act of 1985 is amended by insert-
23 ing after section 1240J (as added by section 2360) the
24 following:

1 **“SEC. 1240K. CHESAPEAKE BAY WATERSHED CONSERVA-**
2 **TION PROGRAM.**

3 “(a) DEFINITION OF CHESAPEAKE BAY WATER-
4 SHED.—In this section, the term ‘Chesapeake Bay water-
5 shed’ includes all tributaries, backwaters, and side chan-
6 nels (including watersheds) draining into the Chesapeake
7 Bay.

8 “(b) ESTABLISHMENT.—The Secretary shall use the
9 authorities granted under the environmental quality incen-
10 tives program established under this chapter to address
11 natural resource concerns relating to agricultural and non-
12 industrial private forest land in the Chesapeake Bay wa-
13 tershed.

14 “(c) FUNDING.—Of the funds of the Commodity
15 Credit Corporation, the Secretary shall use \$165,000,000
16 to carry out this section for the period of fiscal years 2008
17 through 2012.”.

18 **CHAPTER 3—FARMLAND PROTECTION**

19 **Subchapter A—Farmland Protection**
20 **Program**

21 **SEC. 2371. FARMLAND PROTECTION PROGRAM.**

22 (a) DEFINITIONS.—Section 1238H of the Food Secu-
23 rity Act of 1985 (16 U.S.C. 3838h) is amended—

24 (1) by striking paragraph (1) and inserting the
25 following:

1 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
2 tity’ means—

3 “(A) any agency of any State or local gov-
4 ernment or an Indian tribe (including a farm-
5 land protection board or land resource council
6 established under State law); or

7 “(B) any organization that—

8 “(i) is organized for, and at all times
9 since the formation of the organization has
10 been operated principally for, 1 or more of
11 the conservation purposes specified in
12 clause (i), (ii), (iii), or (iv) of section
13 170(h)(4)(A) of the Internal Revenue Code
14 of 1986;

“(ii) is an organization described in
section 501(c)(3) of that Code that is ex-
empt from taxation under section 501(a)
of that Code; and

19 “(iii) is—

20 “(I) described in paragraph (1)
21 or (2) of section 509(a) of that Code;
22 or

23 “(II) described in section
24 509(a)(3), and is controlled by an or-

1 ganization described in section
2 509(a)(2), of that Code.”; and

3 (2) in paragraph (2)—

4 (A) in subparagraph (A), by striking
5 clauses (i) and (ii) and inserting the following:

6 “(i) has prime, unique, or other pro-
7 ductive soil;

8 “(ii) contains historical or archae-
9 ological resources; or

10 “(iii) furthers a State or local policy
11 consistent with the purposes of the pro-
12 gram.”; and

13 (B) in subparagraph (B)—

14 (i) in clause (iv), by striking “and” at
15 the end;

16 (ii) by striking clause (v) and insert-
17 ing the following:

18 “(v) forest land that—

19 “(I) contributes to the economic
20 viability of an agricultural operation;
21 or

22 “(II) serves as a buffer to protect
23 an agricultural operation from devel-
24 opment; and

1 “(vi) land that is incidental to land
2 described in clauses (i) through (v), if the
3 incidental land is determined by the Sec-
4 retary to be necessary for the efficient ad-
5 ministration of a conservation easement.”.

6 (b) FARMLAND PROTECTION.—Section 1238I of the
7 Food Security Act of 1985 (16 U.S.C. 3838i) is amend-
8 ed—

9 (1) in subsection (a), by striking “purchase
10 conservation easements” and all the follows through
11 the end of the subsection and inserting “enter into
12 cooperative agreements with eligible entities for the
13 eligible entities to purchase permanent conservation
14 easements or other interests in eligible land for the
15 purpose of protecting the agricultural use and re-
16 lated conservation values of the land by limiting in-
17 compatible nonagricultural uses of the land.”;

18 (2) by redesignating subsections (b) and (c) as
19 subsections (e) and (f), respectively;

20 (3) by inserting after subsection (a) the fol-
21 lowing:

22 “(b) TERMS AND CONDITIONS FOR COOPERATIVE
23 AGREEMENTS.—

24 “(1) IN GENERAL.—The Secretary shall estab-
25 lish the terms and conditions of any cooperative

1 agreement entered into under this subchapter under
2 which the eligible entity shall use funds provided by
3 the Secretary.

4 “(2) MINIMUM REQUIREMENTS.—A cooperative
5 agreement shall, at a minimum—

6 “(A) specify the qualifications of the eligi-
7 ble entity to carry out the responsibilities of the
8 eligible entity under the program, including ac-
9 quisition and management policies and proce-
10 dures that ensure the long-term integrity of the
11 conservation easement protections;

12 “(B) subject to subparagraph (C), identify
13 a specific project or a range of projects funded
14 under the agreement;

15 “(C) allow, upon mutual agreement of the
16 parties, substitution of qualified projects that
17 are identified at the time of substitution;

18 “(D) specify the manner in which the eligi-
19 ble entity will evaluate and report the use of
20 funds to the Secretary;

21 “(E) allow the eligible entity flexibility to
22 use the terms and conditions of the eligible en-
23 tity for conservation easements and other pur-
24 chases of interests in land, except that—

1 “(i) subject to clause (ii), each ease-
2 ment shall include a limitation on the total
3 quantity of impervious surface of not more
4 than—

5 “(I) 20 percent of the first 10
6 acres;

7 “(II) 5 percent of the next 90
8 acres; and

9 “(III) 1 percent of any additional
10 acres; and

11 “(ii) the Secretary may waive a limi-
12 tation under clause (i) after a determina-
13 tion by the Secretary that the eligible enti-
14 ty has in place a requirement that provides
15 substantially-similar protection consistent
16 with agricultural activities regarding the
17 impervious surfaces to be allowed for any
18 conservation easement or other interest in
19 land purchases using funds provided under
20 the program;

21 “(F) require appraisals of acquired inter-
22 ests in eligible land that comply with, at the op-
23 tion of the eligible entity—

24 “(i) the Uniform Standards of Profes-
25 sional Appraisal Practice; or

1 “(ii) other industry-approved stand-
2 ard, as determined by the Secretary; and

3 “(G) allow as part of the share of the eligi-
4 ble entity of the cost to purchase a conservation
5 easement or other interest in eligible land de-
6 scribed in subsection (a), that an eligible entity
7 may include a charitable donation or qualified
8 conservation contribution (as defined by section
9 170(h) of the Internal Revenue Code of 1986),
10 from the private landowner from which the con-
11 servation easement will be purchased.

12 “(c) COST SHARING.—

13 “(1) IN GENERAL.—Subject to paragraphs (2)
14 and (3), the Secretary may provide a share of the
15 purchase price of a conservation easement or other
16 interest in land acquired by an eligible entity under
17 the program.

18 “(2) MAXIMUM AMOUNT OF FAIR MARKET
19 VALUE.—The Secretary shall not pay more than 50
20 percent of the appraised fair market value of the ac-
21 quisition under this subsection.

22 “(3) MINIMUM SHARE BY ELIGIBLE ENTITY.—
23 The eligible entity shall be required to provide a
24 share of the cost under this subsection in an amount
25 that is not less than the lesser of—

1 “(A) $\frac{1}{2}$ of the purchase price of the acqui-
2 sition;

3 “(B) if the landowner has made a donation
4 of 25 percent or less of the appraised fair mar-
5 ket value of the acquisition, an amount that,
6 when combined with the donation, equals the
7 amount of the payment by the Secretary; or

8 “(C) if the landowner has made a donation
9 of more than 25 percent of the appraised fair
10 market value of the acquisition, $\frac{1}{3}$ of the pur-
11 chase price of the acquisition.

12 “(d) PROTECTION OF FEDERAL INVESTMENT.—

13 “(1) IN GENERAL.—The Secretary shall ensure
14 that the terms of an easement acquired by the eligi-
15 ble entity provides protection for the Federal invest-
16 ment through an executory limitation by the Federal
17 Government.

18 “(2) RELATIONSHIP TO FEDERAL ACQUISITION
19 OF REAL PROPERTY.—The inclusion of a Federal ex-
20 ecutory limitation described in paragraph (1) shall—

21 “(A) not be considered the Federal acquisi-
22 tion of real property; and

23 “(B) not trigger any Federal appraisal or
24 other real property requirements, including the

1 Federal standards and procedures for land ac-
2 quisition.”; and

3 (4) in subsection (f) (as redesignated by para-
4 graph (2)), by striking “COST SHARING.—” and all
5 that follows through “BIDDING DOWN.—” and in-
6 serting “BIDDING DOWN.—”.

7 **Subchapter B—Grassland Reserve Program**

8 **SEC. 2381. GRASSLAND RESERVE PROGRAM.**

9 Subchapter C of chapter 2 of subtitle D of title XII
10 of the Food Security Act of 1985 (16 U.S.C. 3838n et
11 seq.) is amended to read as follows:

12 **“Subchapter C—Grassland Reserve Program**

13 **“SEC. 1238N. DEFINITIONS.**

14 “In this subchapter:

15 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
16 tity’ means—

17 “(A) any agency of any State or local gov-
18 ernment or an Indian tribe (including a farm-
19 land protection board or land resource council
20 established under State law); or

21 “(B) any organization that—

22 “(i) is organized for, and at all times
23 since the formation of the organization has
24 been operated principally for, 1 or more of
25 the conservation purposes specified in

1 clause (i), (ii), (iii), or (iv) of section
2 170(h)(4)(A) of the Internal Revenue Code
3 of 1986;

4 “(ii) is an organization described in
5 section 501(c)(3) of that Code that is ex-
6 empt from taxation under section 501(a)
7 of that Code; and

8 “(iii) is—

9 “(I) described in paragraph (1)
10 or (2) of section 509(a) of that Code;
11 or

12 “(II) described in section
13 509(a)(3), and is controlled by an or-
14 ganization described in section
15 509(a)(2), of that Code.

16 “(2) ELIGIBLE LAND.—The term ‘eligible land’
17 means private land that—

18 “(A) is grassland, rangeland, land that
19 contains forbs, or shrub land (including im-
20 proved rangeland and pastureland) for which
21 grazing is the predominant use;

22 “(B) is located in an area that has been
23 historically dominated by grassland, forbs, or
24 shrub land, and the land potentially could pro-

1 vide habitat for animal or plant populations of
2 significant ecological value if the land—

3 “(i) is retained in the current use of
4 the land;

5 “(ii) is restored to a natural condi-
6 tion;

7 “(iii) contains historical or archeo-
8 logical resources;

9 “(iv) would further the goals and ob-
10 jectives of State, regional, and national
11 fish, and wildlife conservation plans and
12 initiatives; or

13 “(v) is incidental to land described in
14 clauses (i) through (iv), if the incidental
15 land is determined by the Secretary to be
16 necessary for the efficient administration
17 of an agreement or conservation easement.

18 “(3) PERMANENT CONSERVATION EASEMENT.—

19 The term ‘permanent conservation easement’ means
20 a conservation easement that is—

21 “(A) a permanent easement; or

22 “(B) in a State that imposes a maximum
23 duration for easements, an easement for the
24 maximum duration allowed under State law.

1 **“SEC. 1238O. GRASSLAND RESERVE PROGRAM.**

2 “(a) ESTABLISHMENT.—The Secretary shall estab-
3 lish and carry out a grassland reserve program through
4 which the Secretary shall provide payments and technical
5 assistance to landowners to assist in restoring and con-
6 serving eligible land described in section 1238N(2).

7 “(b) ENROLLMENT OF LAND.—

8 “(1) IN GENERAL.—The Secretary may enroll
9 eligible land in the program through—

10 “(A) an easement or contract described in
11 paragraph (2); or

12 “(B) a cooperative agreement with an eligi-
13 ble entity.

14 “(2) OPTIONS.—Eligible land enrolled in the
15 program shall be subject to—

16 “(A) a 30-year contract;

17 “(B) a 30-year conservation easement; or

18 “(C) a permanent conservation easement.

19 “(3) ENROLLMENT OF CONSERVATION RE-
20 SERVE ACREAGE.—

21 “(A) IN GENERAL.—Eligible land enrolled
22 in the conservation reserve program established
23 under subchapter B of chapter 1 may be en-
24 rolled into permanent conservation easements
25 under this subchapter if—

1 “(i) the Secretary determines that the
2 eligible land—

3 “(I) is of high ecological value;
4 and

5 “(II) would be under significant
6 threat of conversion to other uses if
7 the conservation reserve program con-
8 tract were terminated; and

9 “(ii) the landowner agrees to the en-
10 rollment.

11 “(B) MAXIMUM ENROLLMENT.—The num-
12 ber of acres of conservation reserve program
13 land enrolled under this paragraph in a cal-
14 endar year shall not exceed the number of acres
15 that could be funded by 10 percent of the total
16 amount of funds available for this section for a
17 fiscal year.

18 “(C) PROHIBITION ON DUPLICATE PAY-
19 MENTS.—Eligible land enrolled in the program
20 shall no longer be eligible for payments under
21 the conservation reserve program.

22 “(c) RESTORATION AGREEMENTS.—The Secretary
23 may enter into a restoration agreement with a landowner,
24 as determined appropriate by the Secretary.

1 “(d) CONSERVATION EASEMENT TITLE.—The title
2 holder of a conservation easement obtained under this sub-
3 chapter may be—

4 “(1) the Secretary; or

5 “(2) an eligible entity.

6 **“SEC. 1238P. DUTIES.**

7 “(a) DUTIES OF LANDOWNERS.—

8 “(1) IN GENERAL.—To become eligible to enroll
9 eligible land through the grant of a conservation
10 easement, the landowner shall—

11 “(A) create and record an appropriate
12 deed restriction in accordance with applicable
13 State law;

14 “(B) provide proof of clear title to the un-
15 derlying fee interest in the eligible land that is
16 subject of the conservation easement;

17 “(C) provide a written statement of con-
18 sent to the easement signed by persons holding
19 a security interest or any vested interest in the
20 land;

21 “(D) grant the conservation easement to
22 the Secretary or an eligible entity; and

23 “(E) comply with the terms of the con-
24 servation easement and any associated restora-
25 tion agreement.

1 “(2) RESTORATION AGREEMENT.—If a restora-
2 tion agreement is required by the Secretary, the
3 landowner shall develop and implement a restoration
4 plan.

5 “(b) DUTIES OF SECRETARY.—

6 “(1) EVALUATION OF OFFERS.—

7 “(A) IN GENERAL.—The Secretary shall
8 establish criteria to evaluate and rank applica-
9 tions for easements and contracts under this
10 subchapter.

11 “(B) CONSIDERATIONS.—In establishing
12 the criteria, the Secretary shall emphasize sup-
13 port for—

14 “(i) grazing operations;

15 “(ii) plant and animal biodiversity;

16 “(iii) grassland, land that contains
17 forbs, and shrubland under the greatest
18 threat of conversion; and

19 “(iv) other considerations, as deter-
20 mined by the Secretary.

21 “(C) PRIORITY.—In evaluating offers
22 under this subchapter, the Secretary may give
23 priority to applications that—

1 “(i) include a cash contribution from
2 the eligible entity submitting the applica-
3 tion; or

4 “(ii) leverage resources from other
5 sources.

6 “(2) COMPENSATION.—

7 “(A) IN GENERAL.—

8 “(i) EASEMENTS AND CONTRACTS.—
9 In return for the granting of an easement,
10 the Secretary shall provide to the land-
11 owner an amount that is equal to—

12 “(I) in the case of a permanent
13 easement, the fair market value of the
14 land less the grazing value of the land
15 encumbered by the easement; and

16 “(II) in the case of a 30-year
17 easement or 30-year contract, 30 per-
18 cent of the fair market value of the
19 land less the grazing value of the land
20 for the period during which the land
21 is encumbered by the easement.

22 “(ii) RESTORATION AGREEMENTS.—
23 In making cost-share payments for restora-
24 tion agreements, the Secretary shall make
25 payments to the landowner—

1 “(I) in the case of a permanent
2 easement, in an amount that is not
3 less than 90, but not more than 100,
4 percent of the eligible costs; and

5 “(II) in the case of a 30-year
6 easement or 30-year contract, in an
7 amount that is not less than 50, but
8 not more than 75, percent of the eligi-
9 ble costs.

10 “(B) DELIVERY OF PAYMENTS.—

11 “(i) PAYMENT SCHEDULE.—Except as
12 otherwise provided in this subchapter, pay-
13 ments may be provided pursuant to an
14 easement, contract, or other agreement, in
15 not more than 30 annual payments, and in
16 an equal or unequal amounts, as agreed to
17 by the Secretary and the landowner.

18 “(ii) PAYMENTS TO OTHERS.—If an
19 owner that is entitled to a payment under
20 this subchapter dies, becomes incompetent,
21 is otherwise unable to receive the payment,
22 or is succeeded by another person who ren-
23 ders or completes the required perform-
24 ance, the Secretary shall make the pay-
25 ment, in accordance with regulations pro-

1 mulgated by the Secretary and without re-
2 gard to any other provision of law, in such
3 manner as the Secretary determines is fair
4 and reasonable after considering all the
5 circumstances.

6 “(3) TECHNICAL ASSISTANCE.—If a restoration
7 agreement is required by the Secretary, the Sec-
8 retary shall provide technical assistance to comply
9 with the terms and conditions of the restoration
10 agreement.

11 **“SEC. 1238Q. TERMS AND CONDITIONS.**

12 “(a) TERMS AND CONDITIONS OF EASEMENT OR
13 CONTRACTS.—An easement or contract under this sub-
14 chapter shall—

15 “(1) permit—

16 “(A) common grazing practices, including
17 maintenance and necessary cultural practices,
18 on the land in a manner that is consistent with
19 maintaining the viability of grassland, forb, and
20 shrub species appropriate to that locality;

21 “(B) haying, mowing, or harvesting for
22 seed production, subject to appropriate restric-
23 tions during the nesting season for birds in the
24 local area that are in significant decline or are
25 conserved in accordance with Federal or State

1 law, as determined by the State Conserva-
2 tionist; and

3 “(C) fire presuppression, rehabilitation,
4 and construction of fire breaks and fences (in-
5 cluding placement of the posts necessary for
6 fences);

7 “(2) prohibit—

8 “(A) the production of crops (other than
9 hay), fruit trees, vineyards, or any other agri-
10 cultural commodity that is inconsistent with
11 maintaining grazing land; and

12 “(B) except as permitted under a restora-
13 tion plan, the conduct of any other activity that
14 would be inconsistent with maintaining grazing
15 land covered by the easement or agreement; and

16 “(3) include such additional provisions as the
17 Secretary determines are appropriate to carry out or
18 facilitate the administration of this subchapter.

19 “(b) TERMS AND CONDITIONS OF COOPERATIVE
20 AGREEMENTS.—

21 “(1) IN GENERAL.—The Secretary shall estab-
22 lish the terms and conditions of any cooperative
23 agreement entered into under this subchapter under
24 which the eligible entity shall use funds provided by
25 the Secretary.

1 “(2) MINIMUM REQUIREMENTS.—A cooperative
2 agreement shall, at a minimum—

3 “(A) specify the qualification of the eligible
4 entity to carry out the responsibilities of the eli-
5 gible entity under the program, including acqui-
6 sition, monitoring, enforcement, and manage-
7 ment policies and procedures that ensure the
8 long-term integrity of the conservation ease-
9 ment protections;

10 “(B) subject to subparagraph (C), identify
11 a specific project or a range of projects funded
12 under the agreement;

13 “(C) allow, upon mutual agreement of the
14 parties, substitution of qualified projects that
15 are identified at the time of substitution;

16 “(D) specify the manner in which the eligi-
17 ble entity will evaluate and report the use of
18 funds to the Secretary;

19 “(E) allow the eligible entity flexibility to
20 develop and use terms and conditions for con-
21 servation easements and other purchases of in-
22 terest in eligible land, if the Secretary finds the
23 terms and conditions consistent with the pur-
24 poses of the program and adequate to achieve
25 and permit effective enforcement of the con-

1 servation purposes of the conservation ease-
2 ments or other interests;

3 “(F) require appraisals of acquired inter-
4 ests in eligible land that comply with a method
5 approved by industry;

6 “(G) if applicable, allow as part of the
7 share of the eligible entity of the cost to pur-
8 chase a conservation easement or other interest
9 in eligible land described in section 12380(b),
10 that an eligible entity may include a charitable
11 donation or qualified conservation contribution
12 (as defined by section 170(h) of the Internal
13 Revenue Code of 1986), from the private land-
14 owner for which the conservation easement will
15 be purchased; and

16 “(H) provide for a schedule of payments to
17 an eligible entity, as agreed to by the Secretary
18 and the eligible entity, over a term of not to ex-
19 ceed 30 years.

20 “(3) PROTECTION OF FEDERAL INVESTMENT.—

21 “(A) IN GENERAL.—The Secretary shall
22 ensure that the terms of an easement acquired
23 by the eligible entity provides protection for the
24 Federal investment through an executory limi-
25 tation by the Federal government.

1 “(B) RELATIONSHIP TO FEDERAL ACQUI-
2 TION OF REAL PROPERTY.—The inclusion of an
3 executory limitation described in subparagraph
4 (A) shall—

5 “(i) not be considered the Federal ac-
6 quisition of real property; and

7 “(ii) not trigger any Federal appraisal
8 or other real property requirements, in-
9 cluding the Federal standards and proce-
10 dures for land acquisition.

11 “(C) TERMS OF RESTORATION AGREE-
12 MENT.—A restoration agreement shall con-
13 tain—

14 “(i) a statement of the conservation
15 measures and practices that will be under-
16 taken in regard to the eligible land subject
17 to the conservation easement;

18 “(ii) restrictions on the use of the eli-
19 gible land subject to the conservation ease-
20 ment; and

21 “(iii) a statement of the respective du-
22 ties of the Secretary, landowner, and eligi-
23 ble entity, as appropriate.

24 “(c) VIOLATION.—If a violation occurs of the terms
25 or conditions of a conservation easement, contract, cooper-

1 ative agreement or restoration agreement entered into
2 under this section—

3 “(1) the conservation easement, contract, coop-
4 erative agreement, or restoration agreement shall re-
5 main in force; and

6 “(2) the Secretary may require the owner or en-
7 tity to refund all or part of any payments received
8 by the owner under this subchapter, with interest on
9 the payments as determined appropriate by the Sec-
10 retary.”.

11 **CHAPTER 4—OTHER CONSERVATION**
12 **PROGRAMS**

13 **SEC. 2391. CONSERVATION SECURITY PROGRAM.**

14 Subchapter A of chapter 2 of subtitle D of title XII
15 of the Food Security Act of 1985 is amended by adding
16 after section 1238C (16 U.S.C. 3838c) the following:

17 **“SEC. 1238D. PERIOD OF EFFECTIVENESS.**

18 “(a) IN GENERAL.—This subchapter, and the terms
19 and conditions of the conservation security program, shall
20 continue to apply to conservation security contracts en-
21 tered into as of the date before the date of enactment of
22 this section.

23 “(b) PAYMENTS.—The Secretary shall make pay-
24 ments under this subchapter with respect to conservation

1 security contracts described in subsection (a) during the
2 term of the contracts.

3 “(c) PROHIBITION ON NEW CONTRACTS.—A con-
4 servation security contract may not be entered into or re-
5 newed under this subchapter as of the date of enactment
6 of this section.

7 “(d) LIMITATION.—A contract described in sub-
8 section (a) may not be administered under the regulations
9 issued under section 1240Y.”.

10 **SEC. 2392. CONSERVATION OF PRIVATE GRAZING LAND.**

11 Section 1240M(e) of the Food Security Act of 1985
12 (16 U.S.C. 3839bb(e)) is amended by striking “2007” and
13 inserting “2012”.

14 **SEC. 2393. REAUTHORIZATION OF WILDLIFE HABITAT IN-**
15 **CENTIVE PROGRAM.**

16 Section 1240N of the Food Security Act of 1985 (16
17 U.S.C. 3839bb–1) is amended—

18 (1) in subsection (b)—

19 (A) in the subsection heading, by striking
20 “COST-SHARE”;

21 (B) in paragraph (1), by inserting “and in-
22 centive” after “cost-share”; and

23 (C) in paragraph (2)(B), by striking “15
24 percent” and inserting “25 percent”; and

25 (2) by adding at the end the following:

1 “(d) FISH AND WILDLIFE CONSERVATION PLANS
2 AND INITIATIVES.—In carrying out this section, the Sec-
3 retary shall give priority to projects that would further
4 the goals and objectives of State, regional, and national
5 fish and wildlife conservation plans and initiatives.

6 “(e) DURATION OF PROGRAM.—Using funds made
7 available under section 1241(a)(7), the Secretary shall
8 carry out the program during each of fiscal years 2008
9 through 2012.”.

10 **SEC. 2394. GRASSROOTS SOURCE WATER PROTECTION**
11 **PROGRAM.**

12 Section 1240O of the Food Security Act of 1985 (16
13 U.S.C. 3839bb–2) is amended by striking subsection (b)
14 and inserting the following:

15 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
16 is authorized to be appropriated to carry out this section
17 \$20,000,000 for each of fiscal years 2008 through 2012.”.

18 **SEC. 2395. GREAT LAKES BASIN PROGRAM FOR SOIL ERO-**
19 **SION AND SEDIMENT CONTROL.**

20 Section 1240P(c) of the Food Security Act of 1985
21 (16 U.S.C. 3839bb–3(c)) is amended by striking “2007”
22 and inserting “2012”.

1 **SEC. 2396. FARM VIABILITY PROGRAM.**

2 Section 1238J(b) of the Food Security Act of 1985
3 (16 U.S.C. 3838j(b)) is amended by striking “2007” and
4 inserting “2012”.

5 **SEC. 2397. DISCOVERY WATERSHED DEMONSTRATION PRO-**
6 **GRAM.**

7 Chapter 5 of subtitle D of title XII of the Food Secu-
8 rity Act of 1985 (16 U.S.C. 3839bb et seq.) is amended
9 by adding at the end the following:

10 **“SEC. 1240Q. DISCOVERY WATERSHED DEMONSTRATION**
11 **PROGRAM.**

12 “(a) ESTABLISHMENT.—The Secretary shall estab-
13 lish and carry out a demonstration program in not less
14 than 30 small watersheds in States of the Upper Mis-
15 sissippi River basin to identify and promote the most cost-
16 effective and efficient approaches to reducing the loss of
17 nutrients to surface waters.

18 “(b) PURPOSE.—The demonstration program shall
19 demonstrate in small watersheds performance-based and
20 market-based approaches—

21 “(1) to reduce the loss of nutrients to surface
22 waters from agricultural land; and

23 “(2) to monitor the cost-effectiveness of man-
24 agement practices designed to reduce the loss of nu-
25 trients to surface waters from agricultural land.

1 “(c) PARTNERSHIPS.—In carrying out this section,
2 the Secretary may establish or identify, as appropriate,
3 partnerships to select the watersheds and to encourage co-
4 operative effort among the Secretary and State, local, and
5 nongovernmental organizations.

6 “(d) SELECTION OF SMALL WATERSHEDS.—In se-
7 lecting small watersheds for participation in the program,
8 the Secretary shall consider the extent to which—

9 “(1) reducing nutrient losses to surface water
10 in the small watershed would be likely to result in
11 measurable improvements in water quality in the
12 small watershed;

13 “(2) a demonstration project would use innova-
14 tive approaches to attract a high level of producer
15 participation in the small watershed to ensure suc-
16 cess;

17 “(3) a demonstration project could be imple-
18 mented through a third party, including a producer
19 organization, farmer cooperative, conservation dis-
20 trict, water utility, agency of State or local govern-
21 ment, conservation organization, or other organiza-
22 tion with appropriate expertise;

23 “(4) a demonstration project would leverage
24 funding from State, local, and private sources;

1 “(5) a demonstration project would dem-
2 onstrate market-based approaches to nutrient losses
3 to surface waters;

4 “(6) baseline data related to water quality and
5 agricultural practices and contributions from non-
6 agricultural sources as relevant in the small water-
7 shed has been collected or could be readily collected;
8 and

9 “(7) water quality monitoring infrastructure is
10 in place or could reasonably be put in place in the
11 small watershed.

12 “(e) USE OF FUNDS.—

13 “(1) IN GENERAL.—Funding provided for the
14 program under subsection(f) shall be used in not less
15 than 30 small watersheds—

16 “(A) to provide technical assistance;

17 “(B) to provide and assess financial incen-
18 tives to agricultural producers implementing
19 conservation practices that reduce nutrient
20 losses to surface waters;

21 “(C) to monitor the performance and costs
22 of alternative nutrient management techniques,
23 including soil tests, stalk tests, cover crops, soil
24 amendments, buffers, and tillage practices; and

1 “(D) to share the cost of data collection,
2 monitoring, and analysis.

3 “(2) PROHIBITION.—None of the funds made
4 available to carry out the program for each fiscal
5 year may be used for administrative expenses.

6 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated such sums as are nec-
8 essary to carry out this section.”.

9 **SEC. 2398. EMERGENCY LANDSCAPE RESTORATION PRO-**
10 **GRAM.**

11 (a) IN GENERAL.—Chapter 5 of subtitle D of the
12 Food Security Act of 1985 (16 U.S.C. 3839bb et seq.)
13 (as amended by section 2386) is amended by adding at
14 the end the following:

15 **“SEC. 1240R. EMERGENCY LANDSCAPE RESTORATION PRO-**
16 **GRAM.**

17 “(a) DEFINITION OF ELIGIBLE RECIPIENT.—In this
18 section, the term ‘eligible recipient’ means—

19 “(1) an organization that is eligible for tech-
20 nical assistance and cost-share payments under this
21 section and assists working agricultural land and
22 nonindustrial private forest land, including—

23 “(A) a community-based association; and

1 “(B) a city, county, or regional govern-
2 ment, including a watershed council and a con-
3 servation district; and

4 “(2) an individual who is eligible for technical
5 assistance and cost-share payments under this sec-
6 tion, including—

7 “(A) a producer;

8 “(B) a rancher;

9 “(C) an operator;

10 “(D) a nonindustrial private forest land-
11 owner; and

12 “(E) a landlord on working agricultural
13 land.

14 “(b) PURPOSE.—The purpose of the emergency land-
15 scape restoration program is to rehabilitate watersheds,
16 nonindustrial private forest land, and working agricultural
17 land adversely affected by natural catastrophic events,
18 by—

19 “(1) providing a source of assistance for res-
20 toration of the land back to a productive state;

21 “(2) preventing further impairment of land and
22 water, including prevention through the purchase of
23 floodplain easements; and

24 “(3) providing further protection of natural re-
25 sources.

1 “(c) ESTABLISHMENT.—The Secretary, acting
2 through the Natural Resources Conservation Service, shall
3 carry out an emergency landscape restoration program
4 under which technical assistance and cost-share payments
5 are made available to eligible recipients to carry out reme-
6 dial activities to restore landscapes damaged by—

7 “(1) fire;

8 “(2) drought;

9 “(3) flood;

10 “(4) hurricane force or excessive winds;

11 “(5) ice storms or blizzards; or

12 “(6) other resource-impacting natural events, as
13 determined by the Secretary.

14 “(d) PRIORITIZATION.—The Secretary shall provide
15 the highest priority for those activities that protect human
16 health and safety.

17 “(e) TECHNICAL ASSISTANCE AND COST-SHARE
18 PAYMENTS.—

19 “(1) IN GENERAL.—The Secretary shall provide
20 technical assistance and cost-share payments in
21 amounts of up to 75 percent of the cost of remedial
22 activities described in paragraph (2) to rehabilitate
23 watersheds, nonindustrial private forest land, and
24 working agricultural land.

1 “(2) REMEDIAL ACTIVITIES.—Remedial activi-
2 ties that are eligible for technical assistance and
3 cost-share payments under this section include—

4 “(A) removal of debris from streams, agri-
5 cultural land, and nonindustrial forest land, in-
6 cluding—

7 “(i) the restoration of natural hydrol-
8 ogy; and

9 “(ii) the removal of barriers for
10 aquatic species;;

11 “(B) restoration of destabilized
12 streambanks;

13 “(C) establishment of cover on critically
14 eroding land;

15 “(D) restoration of fences;

16 “(E) construction of conservation struc-
17 tures;

18 “(F) provision of water for livestock in
19 drought situations;

20 “(G) rehabilitation of farm or ranch land;

21 “(H) restoration of damaged nonindustrial
22 private forest land, including—

23 “(i) the removal of damaged standing
24 trees and downed timber; and

1 “(ii) site preparation, tree planting,
2 direct seeding, and firebreaks;

3 “(I) the carrying out of emergency water
4 conservation measures;

5 “(J) restoration of wildlife habitat and cor-
6 ridors;

7 “(K) livestock carcass removal and dis-
8 posal; and

9 “(L) such other remedial activities as are
10 determined by the Secretary.

11 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
12 are authorized to be appropriated to the Secretary to carry
13 out this section such sums as are necessary for each of
14 fiscal years 2008 through 2012, to remain available until
15 expended.

16 “(g) TEMPORARY ADMINISTRATION OF EMERGENCY
17 LANDSCAPE RESTORATION PROGRAM.—

18 “(1) IN GENERAL.—During the period begin-
19 ning on the date of enactment of this section and
20 ending on the termination date described in para-
21 graph (2), to ensure that technical assistance, cost-
22 share payments, and other payments continue to be
23 administered in an orderly manner until the date on
24 which final regulations are promulgated to imple-
25 ment the emergency landscape restoration program,

1 the Secretary shall, to the extent the terms and con-
2 ditions of the programs described in clauses (i) and
3 (ii) of subparagraph (A) are consistent with the
4 emergency landscape restoration program, continue
5 to—

6 “(A) provide technical assistance, cost-
7 share payments, and other payments under the
8 terms and conditions of—

9 “(i) the emergency conservation pro-
10 gram established under title IV of the Ag-
11 ricultural Credit Act of 1978 (16 U.S.C.
12 2201 et seq.); and

13 “(ii) the emergency watershed protec-
14 tion program established under section 403
15 of the Agricultural Credit Act of 1978 (16
16 U.S.C. 2203); and

17 “(B) use for those purposes—

18 “(i) any funds made available under
19 those programs; and

20 “(ii) as the Secretary determines to be
21 necessary, any funds made available to
22 carry out the emergency landscape restora-
23 tion program.

24 “(2) TERMINATION OF AUTHORITY.—The au-
25 thority of the Secretary to carry out paragraph (1)

1 shall terminate on the effective date of final regula-
2 tions to implement the emergency landscape restora-
3 tion program.”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) Effective on the effective date of final regula-
6 tions to implement the emergency landscape res-
7 toration program under section 1240R of the Food
8 Security Act of 1985 (as added by subsection (a)),
9 title IV of the Agricultural Credit Act of 1978 (16
10 U.S.C. 2201 et seq.) is repealed.

11 (2) Section 1211(a)(3)(C) of the Food Security
12 Act of 1985 (16 U.S.C. 3811(a)(3)(C)) is amended
13 by inserting “section 1240R or” after “a payment
14 under”.

15 (3) Section 1221(b)(3)(C) of the Food Security
16 Act of 1985 (16 U.S.C. 3821(b)(3)(C)) is amended
17 by inserting “section 1240R or” after “A payment
18 under”.

19 **SEC. 2399. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**
20 **CENTIVE PROGRAM.**

21 Chapter 5 of subtitle D of title XII of the Food Secu-
22 rity Act of 1985 (16 U.S.C. 3839bb et seq.) (as amended
23 by section 2387(a)) is amended by adding at the end the
24 following:

1 **“SEC. 1240S. VOLUNTARY PUBLIC ACCESS AND HABITAT IN-**
2 **CENTIVE PROGRAM.**

3 “(a) IN GENERAL.—The Secretary shall establish a
4 voluntary public access program under which States and
5 tribal governments may apply for grants to encourage
6 owners and operators of privately-held farm, ranch, and
7 forest land to voluntarily make that land available for ac-
8 cess by the public for wildlife-dependent recreation, includ-
9 ing hunting or fishing under programs administered by
10 the States and tribal governments.

11 “(b) APPLICATIONS.—In submitting applications for
12 a grant under the program, a State or tribal government
13 shall describe—

14 “(1) the benefits that the State or tribal gov-
15 ernment intends to achieve by encouraging public ac-
16 cess to private farm and ranch land for—

17 “(A) hunting and fishing; and

18 “(B) to the maximum extent practicable,
19 other recreational purposes; and

20 “(2) the methods that will be used to achieve
21 those benefits.

22 “(c) PRIORITY.—In approving applications and
23 awarding grants under the program, the Secretary shall
24 give priority to States and tribal governments that pro-
25 pose—

1 “(1) to maximize participation by offering a
2 program the terms of which are likely to meet with
3 widespread acceptance among landowners;

4 “(2) to ensure that land enrolled under the
5 State or tribal government program has appropriate
6 wildlife habitat;

7 “(3) to strengthen wildlife habitat improvement
8 efforts on land enrolled in a special conservation re-
9 serve enhancement program described in section
10 1234(f)(3) by providing incentives to increase public
11 hunting and other recreational access on that land;

12 “(4) to use additional Federal, State, tribal
13 government, or private resources in carrying out the
14 program; and

15 “(5) to make available to the public the location
16 of land enrolled.

17 “(d) RELATIONSHIP TO OTHER LAWS.—Nothing in
18 this section preempts a State or tribal government law (in-
19 cluding any State or tribal government liability law).

20 “(e) REGULATIONS.—The Secretary shall promulgate
21 such regulations as are necessary to carry out this sec-
22 tion.”.

1 **Subtitle E—Funding and**
2 **Administration**

3 **SEC. 2401. FUNDING AND ADMINISTRATION.**

4 Section 1241(a) of the Food Security Act of 1985
5 (16 U.S.C. 3841(a)) is amended—

6 (1) in the matter preceding paragraph (1), by
7 striking “2007” and inserting “2012”; and

8 (2) by striking paragraphs (3) through (7) and
9 inserting the following:

10 “(3) The conservation security program under
11 subchapter A of chapter 2, using \$2,317,000,000 to
12 administer contracts entered into as of the day be-
13 fore the date of enactment of the Food and Energy
14 Security Act of 2007, to remain available until ex-
15 pended.

16 “(4) The conservation stewardship program
17 under subchapter B of chapter 6.

18 “(5) The farmland protection program under
19 subchapter B of chapter 2, using, to the maximum
20 extent practicable, \$97,000,000 for each of fiscal
21 years 2008 through 2012.

22 “(6) The grassland reserve program under sub-
23 chapter C of chapter 2, using, to the maximum ex-
24 tent practicable, \$240,000,000 for the period of fis-
25 cal years 2008 through 2012.

1 “(7) The environmental quality incentives pro-
2 gram under chapter 4, using, to the maximum ex-
3 tent practicable—

4 “(A) \$1,270,000,000 for each of fiscal
5 years 2008 and 2009; and

6 “(B) \$1,300,000,000 for each of fiscal
7 years 2010 through 2012.

8 “(8) The wildlife habitat incentives program
9 under section 1240N, using, to the maximum extent
10 practicable, \$85,000,000 for each of fiscal years
11 2008 through 2012.

12 “(9) The voluntary public access program
13 under section 1240S, using, to the maximum extent
14 practicable, \$20,000,000 in each of fiscal years 2008
15 through 2012.”.

16 **SEC. 2402. REGIONAL EQUITY.**

17 Section 1241 of the Food Security Act of 1985 (16
18 U.S.C. 3841) is amended by striking subsection (d) and
19 inserting the following:

20 “(d) REGIONAL EQUITY.—

21 “(1) IN GENERAL.—Before April 1 of each fis-
22 cal year, the Secretary shall give priority for funding
23 under the conservation programs under subtitle D
24 and the agricultural management assistance pro-
25 gram under section 524(b) of the Federal Crop In-

1 surance Act (7 U.S.C. 1524(b)) (excluding the con-
2 servation reserve program under subchapter B of
3 chapter 1 and the wetlands reserve program under
4 subchapter C of chapter 1) to approved applications
5 in any State that has not received, for the fiscal
6 year, an aggregate amount of at least \$15,000,000
7 for those conservation programs.

8 “(e) SPECIFIC FUNDING ALLOCATIONS.—In deter-
9 mining the specific funding allocations for each State
10 under paragraph (1), the Secretary shall consider the re-
11 spective demand for each program in each State.

12 “(f) ALLOCATIONS REVIEW AND UPDATE.—

13 “(1) REVIEW.—Not later than January 1,
14 2012, the Secretary shall conduct a review of con-
15 servation program allocation formulas to determine
16 the sufficiency of the formulas in accounting for
17 State-level economic factors, level of agricultural in-
18 frastructure, or related factors that affect conserva-
19 tion program costs.

20 “(2) UPDATE.—The Secretary shall improve
21 conservation program allocation formulas as nec-
22 essary to ensure that the formulas adequately reflect
23 the costs of carrying out the conservation pro-
24 grams.”.

1 **SEC. 2403. CONSERVATION ACCESS.**

2 Section 1241 of the Food Security Act of 1985 (16
3 U.S.C. 3841) (as amended by section 2402) is amended
4 by adding at the end the following:

5 “(g) CONSERVATION ACCESS.—

6 “(1) ASSISTANCE TO ELIGIBLE FARMERS OR
7 RANCHERS.—

8 “(A) DEFINITION OF ELIGIBLE FARMER
9 OR RANCHER.—In this paragraph, the term ‘eli-
10 gible farmer or rancher’ means a farmer or
11 rancher that, as determined by the Secretary—

12 “(i) derives or expects to derive more
13 than 50 percent of the annual income of
14 the farmer or rancher from agriculture
15 (not including payments under the con-
16 servation reserve program established
17 under subchapter B of chapter 1 of sub-
18 title D); and

19 “(ii) is—

20 “(I) a beginning farmer or ranch-
21 er (as defined in section 343 of the
22 Consolidated Farm and Rural Devel-
23 opment Act (7 U.S.C. 1991)), except
24 that in determining whether the farm-
25 er or rancher qualifies as a beginning

1 farmer or rancher, the Secretary
2 may—

3 “(aa) employ a fair and rea-
4 sonable test of net worth; and

5 “(bb) use such other criteria
6 as the Secretary determines to be
7 appropriate; or

8 “(II) a socially disadvantaged
9 farmer or rancher (as defined in sec-
10 tion 355(e) of the Consolidated Farm
11 and Rural Development Act (7 U.S.C.
12 2003(e)).

13 “(B) ASSISTANCE.—In the case of each
14 program described in subsection (a), except as
15 provided in paragraph (2), for each fiscal year
16 in which funding is made available for the pro-
17 gram, 10 percent of the funds available for the
18 fiscal year shall be used by the Secretary to as-
19 sist eligible farmers or ranchers.

20 “(2) ACREAGE PROGRAMS.—In the case of the
21 conservation reserve and wetlands reserve programs,
22 10 percent of the acreage authorized to be enrolled
23 in any fiscal year shall be used to assist eligible
24 farmers or ranchers.

1 “(3) REPOOLING.—In any fiscal year, amounts
2 not obligated under this subsection by a date deter-
3 mined by the Secretary shall be available for pay-
4 ments and technical assistance to all persons eligible
5 for payments or technical assistance in that fiscal
6 year under the program for which the amounts were
7 originally made available under this title.

8 “(4) CONSERVATION INNOVATION GRANTS.—
9 Funding under paragraph (1) for conservation inno-
10 vation grants under section 1240H may, in addition
11 to purposes described in subsection (b) of that sec-
12 tion, be used for—

13 “(A) technology transfer;

14 “(B) farmer-to-farmer workshops; and

15 “(C) demonstrations of innovative con-
16 servation practices.

17 “(5) TECHNICAL ASSISTANCE.—The Secretary
18 shall offer, to the maximum extent practicable, high-
19 er levels of technical assistance to beginning farmers
20 or ranchers and socially disadvantaged farmers or
21 ranchers than are otherwise made available to pro-
22 ducers participating in programs under this title.

23 “(6) COOPERATIVE AGREEMENTS.—The Sec-
24 retary may develop and implement cooperative
25 agreements with entities (including government

1 agencies, extension entities, nongovernmental and
2 community-based organizations, and educational in-
3 stitutions) with expertise in addressing the needs of
4 beginning farmers or ranchers and socially disadvan-
5 taged farmers or ranchers to provide technical as-
6 sistance, comprehensive conservation planning edu-
7 cation, and sustainable agriculture training.”.

8 **SEC. 2404. DELIVERY OF TECHNICAL ASSISTANCE.**

9 Section 1242 of the Food Security Act of 1985 (16
10 U.S.C. 3842) is amended to read as follows:

11 **“SEC. 1242. DELIVERY OF TECHNICAL ASSISTANCE.**

12 “(a) DEFINITION OF ELIGIBLE PARTICIPANT.—In
13 this section, the term ‘eligible participant’ means—

14 “(1) an agricultural producer;

15 “(2) an eligible entity;

16 “(3) an eligible landowner; and

17 “(4) an interested organization.

18 “(b) PURPOSE.—The purpose of technical assistance
19 authorized by this title is to provide eligible participants
20 with consistent, science-based, site-specific practices de-
21 signed to achieve conservation objectives on land active in
22 agricultural, forestry, or related uses.

23 “(c) PROVISION OF TECHNICAL ASSISTANCE.—The
24 Secretary shall provide technical assistance under this title
25 to an eligible participant—

1 “(1) directly;

2 “(2) through a contract or agreement with a
3 third-party provider; or

4 “(3) at the option of the eligible participant,
5 through a payment, as determined by the Secretary,
6 to the eligible participant for an approved third-
7 party provider, if available.

8 “(d) CERTIFICATION OF THIRD-PARTY PRO-
9 VIDERS.—

10 “(1) IN GENERAL.—The Secretary shall con-
11 tinue to carry out the technical service provider pro-
12 gram established under regulations promulgated
13 under subsection (b)(1) (as in existence on the day
14 before the date of enactment of this subsection).

15 “(2) PURPOSE.—The purpose of the technical
16 service provider program shall be to increase the
17 availability and range of technical expertise available
18 to farmers, ranchers, and eligible landowners to plan
19 and implement conservation measures.

20 “(3) EXPERTISE.—In promulgating regulations
21 to carry out this subsection, the Secretary shall—

22 “(A) ensure that persons with expertise in
23 the technical aspects of conservation planning,
24 watershed planning, and environmental engi-
25 neering (including commercial entities, non-

1 profit entities, State or local governments or
2 agencies, and other Federal agencies) are eligi-
3 ble to become approved providers of the tech-
4 nical assistance; and

5 “(B) to the maximum extent practicable—

6 “(i) provide national criteria for the
7 certification of technical service providers;
8 and

9 “(ii) approve any unique certification
10 standards established at the State level.

11 “(4) SYSTEM ADMINISTRATION.—

12 “(A) FUNDING.—Effective for fiscal year
13 2008 and each subsequent fiscal year, funds of
14 the Commodity Credit Corporation that are
15 made available to carry out each of the pro-
16 grams specified in section 1241 shall be avail-
17 able for the provision of technical assistance
18 from third-party providers under this section.

19 “(B) CONTRACT TERM.—A contract under
20 this section shall have a term that—

21 “(i) at a minimum, is equal to the pe-
22 riod—

23 “(I) beginning on the date on
24 which the contract is entered into;
25 and

1 “(II) ending on the date that is
2 1 year after the date on which all ac-
3 tivities in the contract have been com-
4 pleted;

5 “(ii) does not exceed 3 years; and

6 “(iii) can be renewed, as determined
7 by the Secretary.

8 “(C) REVIEW OF CERTIFICATION REQUIRE-
9 MENTS.—Not later than 1 year after the date
10 of enactment of this subsection, the Secretary
11 shall—

12 “(i) review certification requirements
13 for third-party providers; and

14 “(ii) make any adjustments consid-
15 ered necessary by the Secretary to improve
16 participation.

17 “(D) ELIGIBLE ACTIVITIES.—The Sec-
18 retary may include in activities eligible for pay-
19 ment to a third-party provider—

20 “(i) education and outreach to eligible
21 participants; and

22 “(ii) administrative services necessary
23 to support conservation program imple-
24 mentation.

25 “(e) AVAILABILITY OF TECHNICAL SERVICES.—

1 “(1) AVAILABILITY.—

2 “(A) IN GENERAL.—In carrying out the
3 programs under this title and the agricultural
4 management assistance program under section
5 524 of the Federal Crop Insurance Act (7
6 U.S.C. 1524), the Secretary shall make tech-
7 nical services available to all eligible partici-
8 pants who are installing an eligible practice.

9 “(B) TECHNICAL SERVICE CONTRACTS.—

10 In any case in which financial assistance is not
11 requested or is not provided under subpara-
12 graph (A), the Secretary may enter into a tech-
13 nical service contract with the applicable eligible
14 participant for the purposes of assisting in the
15 planning, design, or installation of an eligible
16 practice.

17 “(2) REVIEW OF CONSERVATION PRACTICE
18 STANDARDS.—

19 “(A) IN GENERAL.—The Secretary shall—

20 “(i) review conservation practice
21 standards, including engineering design
22 specifications, in effect on the date of en-
23 actment of this subsection;

24 “(ii) ensure, to the maximum extent
25 practicable, the completeness and relevance

1 of the standards to local agricultural, for-
2 estry, and natural resource needs, includ-
3 ing specialty crops, native and managed
4 pollinators, bioenergy crop production, for-
5 estry, and such other needs as are deter-
6 mined by the Secretary; and

7 “(iii) ensure that the standards pro-
8 vide for the optimal balance between meet-
9 ing site-specific conservation needs and
10 minimizing risks of design failure and as-
11 sociated costs of construction and installa-
12 tion.

13 “(B) CONSULTATION.—In conducting the
14 assessment under subparagraph (A), the Sec-
15 retary shall consult with agricultural producers,
16 crop consultants, cooperative extension and land
17 grant universities, nongovernmental organiza-
18 tions, and other qualified entities.

19 “(C) EXPEDITED REVISION OF STAND-
20 ARDS.—If the Secretary determines under sub-
21 paragraph (A) that revisions to the conservation
22 practice standards, including engineering design
23 specifications, are necessary, the Secretary shall
24 establish an administrative process for expe-
25 diting the revisions.

1 “(3) ADDRESSING CONCERNS OF SPECIALITY
2 CROP, ORGANIC, AND PRECISION AGRICULTURE PRO-
3 DUCERS.—

4 “(A) IN GENERAL.—The Secretary shall—

5 “(i) to the maximum extent prac-
6 ticable, fully incorporate specialty crop pro-
7 duction, organic crop production, and pre-
8 cision agriculture into the conservation
9 practice standards; and

10 “(ii) provide for the appropriate range
11 of conservation practices and resource
12 mitigation measures available to specialty
13 crop, organic, and precision agriculture
14 producers.

15 “(B) AVAILABILITY OF ADEQUATE TECH-
16 NICAL ASSISTANCE.—

17 “(i) IN GENERAL.—The Secretary
18 shall ensure that adequate technical assist-
19 ance is available for the implementation of
20 conservation practices by specialty crop,
21 organic, and precision agriculture pro-
22 ducers through Federal conservation pro-
23 grams.

1 “(ii) REQUIREMENTS.—In carrying
2 out clause (i), the Secretary shall de-
3 velop—

4 “(I) programs that meet specific
5 needs of specialty crop, organic, and
6 precision agriculture producers
7 through cooperative agreements with
8 other agencies and nongovernmental
9 organizations; and

10 “(II) program specifications that
11 allow for innovative approaches to en-
12 gage local resources in providing tech-
13 nical assistance for planning and im-
14 plementation of conservation prac-
15 tices.”.

16 **SEC. 2405. ADMINISTRATIVE REQUIREMENTS FOR CON-**
17 **SERVATION PROGRAMS.**

18 (a) STREAMLINED APPLICATION PROCESS.—Section
19 1244 of the Food Security Act of 1985 (16 U.S.C. 3844)
20 is amended—

21 (1) by redesignating subsection (b) as sub-
22 section (c); and

23 (2) by inserting after subsection (a) the fol-
24 lowing:

25 “(b) STREAMLINED APPLICATION PROCESS.—

1 “(1) IN GENERAL.—In carrying out each con-
2 servation program under this title, the Secretary
3 shall ensure that the application process used by
4 producers and landowners is streamlined to mini-
5 mize complexity and eliminate redundancy.

6 “(2) REVIEW AND STREAMLINING.—

7 “(A) REVIEW.—The Secretary shall carry
8 out a review of the application forms and proc-
9 esses for each conservation program covered by
10 this subsection.

11 “(B) STREAMLINING.—On completion of
12 the review the Secretary shall revise application
13 forms and processes, as necessary, to ensure
14 that—

15 “(i) all required application informa-
16 tion is essential for the efficient, effective,
17 and accountable implementation of con-
18 servation programs;

19 “(ii) conservation program applicants
20 are not required to provide information
21 that is readily available to the Secretary
22 through existing information systems of
23 the Department of Agriculture;

24 “(iii) information provided by the ap-
25 plicant is managed and delivered efficiently

1 for use in all stages of the application
2 process, or for multiple applications; and
3 “(iv) information technology is used
4 effectively to minimize data and informa-
5 tion input requirements.

6 “(3) IMPLEMENTATION AND NOTIFICATION.—
7 Not later than 1 year after the date of enactment
8 of the Food and Energy Security Act of 2007, the
9 Secretary shall submit to Congress a written notifi-
10 cation of completion of the requirements of this sub-
11 section.”.

12 (b) ADMINISTRATION.—Section 1244 of the Food Se-
13 curity Act of 1985 (16 U.S.C. 3844) (as amended by sub-
14 section (a)) is amended by adding at the end the following:

15 “(d) COOPERATION REGARDING PROTECTION.—In
16 the case of a landowner who enrolls land in a conservation
17 program authorized under this title that results in a net
18 conservation benefit for a listed, candidate, or other spe-
19 cies, the Secretary shall cooperate at the request of the
20 landowner with the Secretary of the Interior and the Sec-
21 retary of Commerce, as appropriate, to make available to
22 the landowner safe harbor or similar assurances and pro-
23 tections under sections 7(b)(4) and 10(a), as applicable,
24 of the Endangered Species Act of 1973 (16 U.S.C.
25 1536(b)(4), 1539(a)).

1 “(e) ELIGIBILITY OF PRODUCER ORGANIZATIONS.—

2 “(1) IN GENERAL.—In carrying out a conserva-
3 tion program administered by the Secretary, the
4 Secretary shall accept applications from, and shall
5 provide cost-share and incentive payments and other
6 assistance to, producers who elect to apply through
7 an organization that represents producers and of
8 which producers make up a majority of the gov-
9 erning body, if the Secretary determines that—

10 “(A) the full objective of the proposed ac-
11 tivity, practice, or plan cannot be realized with-
12 out the participation of all or substantially all
13 of the producers in the affected area; and

14 “(B) the benefits achieved through the
15 proposed activity, practice, or plan are likely to
16 be greater and to be delivered more cost-effec-
17 tively if provided through a single organization
18 with related conservation expertise and manage-
19 ment experience.

20 “(2) LIMITATION.—Any applicable payment
21 limitation shall apply to each participating producer
22 and not to the organization described in paragraph
23 (1).

24 “(f) PARTNERSHIPS AND COOPERATION.—

1 “(1) IN GENERAL.—In carrying out a program
2 under subtitle D, the Secretary may designate spe-
3 cial projects, as recommended if appropriate by the
4 State Executive Director of the Conservationist,
5 after consultation with the State technical com-
6 mittee, to enhance assistance provided to multiple
7 producers to address conservation issues relating to
8 agricultural and nonindustrial private forest man-
9 agement and production.

10 “(2) PURPOSES.—The purposes of special
11 projects carried out under this subsection shall be to
12 achieve statewide or regional conservation objectives
13 by—

14 “(A) encouraging producers to cooperate in
15 the installation and maintenance of conserva-
16 tion practices that affect multiple agricultural
17 operations;

18 “(B) encouraging producers to cooperate
19 in meeting applicable Federal, State, and local
20 regulatory requirements regarding natural re-
21 sources and the environment;

22 “(C) encouraging producers to share infor-
23 mation and technical and financial resources;

24 “(D) facilitating cumulative conservation
25 benefits in geographic areas; and

1 “(E) promoting the development and dem-
2 onstration of innovative conservation methods.

3 “(3) ELIGIBLE PARTNERS.—State and local
4 government entities (including irrigation and water
5 districts and canal companies), Indian tribes, farmer
6 cooperatives, institutions of higher education, non-
7 governmental organizations, and producer associa-
8 tions shall be eligible to apply under this subsection.

9 “(4) SPECIAL PROJECT APPLICATION.—To
10 apply for designation under paragraph (1), partners
11 shall submit an application to the Secretary that in-
12 cludes—

13 “(A) a description of the geographic area,
14 the current conditions, the conservation objec-
15 tives to be achieved through the special project,
16 and the expected level of participation by agri-
17 cultural and nonindustrial private forest land-
18 owners;

19 “(B) a description of the partners collabo-
20 rating to achieve the project objectives and the
21 roles, responsibilities, and capabilities of the
22 partners;

23 “(C) a description of the program re-
24 sources requested from the Secretary, in rel-
25 evant units, and the non-Federal resources that

1 will be leveraged by the Federal contribution;
2 and

3 “(D) such other information as the Sec-
4 retary considers necessary.

5 “(5) DUTIES OF THE SECRETARY.—

6 “(A) IN GENERAL.—The Secretary shall
7 enter into multiyear agreements with partners
8 to facilitate the delivery of conservation pro-
9 gram resources in a manner to achieve the pur-
10 poses described in paragraph (2).

11 “(B) PROJECT SELECTION.—

12 “(i) IN GENERAL.—The Secretary
13 shall conduct a competitive process to se-
14 lect projects funded under this subsection.

15 “(ii) FACTORS CONSIDERED.—In con-
16 ducting the process described in clause (i),
17 the Secretary shall make public factors to
18 be considered in evaluating applications.

19 “(iii) PRIORITY.—The Secretary may
20 give priority to applications based on the
21 highest percentage of—

22 “(I) producers involved;

23 “(II) on-the-ground conservation
24 to be implemented;

1 “(III) non-Federal resources to
2 be leveraged; and

3 “(IV) other factors, as deter-
4 mined by the Secretary.

5 “(C) TECHNICAL AND FINANCIAL ASSIST-
6 ANCE.—The Secretary and partners shall pro-
7 vide appropriate technical and financial assist-
8 ance to producers participating in a special
9 project in an amount determined by the Sec-
10 retary to be necessary to achieve the purposes
11 described in paragraph (2).

12 “(D) FLEXIBILITY.—The Secretary may
13 adjust elements of the programs under this title
14 to better reflect unique local circumstances and
15 purposes, if the Secretary determines that such
16 adjustments are necessary to achieve the pur-
17 poses of this subsection.

18 “(E) ADMINISTRATION.—

19 “(i) IN GENERAL.—The Secretary
20 shall ensure that resources made available
21 under this subsection are delivered in ac-
22 cordance with applicable program rules.

23 “(ii) ADDITIONAL REQUIREMENTS.—
24 The Secretary may establish additional re-
25 quirements beyond applicable program

1 rules in order to effectively implement this
2 subsection.

3 “(6) SPECIAL RULES APPLICABLE TO REGIONAL
4 WATER ENHANCEMENT PROJECTS.—

5 “(A) DEFINITIONS.—In this paragraph:

6 “(i) ELIGIBLE PARTNER.—The term
7 ‘eligible partner’ means—

8 “(I) an eligible partner identified
9 in paragraph (3); and

10 “(II) a water or wastewater
11 agency of a State.

12 “(ii) ELIGIBLE PROJECT.—

13 “(I) IN GENERAL.—The term ‘el-
14 igible project’ means a project that is
15 specifically targeted to improve water
16 quality or quantity in an area.

17 “(II) INCLUSIONS.—The term
18 ‘eligible project’ includes a project
19 that involves—

20 “(aa) resource condition as-
21 sessment and modeling;

22 “(bb) water quality, water
23 quantity, or water conservation
24 plan development;

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1 “(cc) management system
2 and environmental monitoring
3 and evaluation;

4 “(dd) cost-share restoration
5 or enhancement;

6 “(ee) incentive payments for
7 land management practices;

8 “(ff) easement purchases;

9 “(gg) conservation contracts
10 with landowners;

11 “(hh) improved irrigation
12 systems;

13 “(ii) water banking and
14 other forms of water trans-
15 actions;

16 “(jj) groundwater recharge;

17 “(kk) stormwater capture;
18 and

19 “(ll) other water-related ac-
20 tivities that the Secretary deter-
21 mines will help to achieve the
22 water quality or water quantity
23 benefits identified in the agree-
24 ment in subparagraph (E) on
25 land described in paragraph (1).

1 “(B) REGIONAL WATER ENHANCEMENT
2 PROCEDURES.—With respect to proposals for
3 eligible projects by eligible partners, the Sec-
4 retary shall establish specific procedures (to be
5 known collectively as ‘regional water enhance-
6 ment procedures’) in accordance with this para-
7 graph.

8 “(C) MEANS.—Regional water enhance-
9 ment activities in a particular region shall be
10 carried out through a combination of—

11 “(i) multiyear agreements between the
12 Secretary and eligible partners;

13 “(ii) other regional water enhance-
14 ment activities carried out by the Sec-
15 retary; and

16 “(iii) regional water enhancement ac-
17 tivities carried out by eligible partners
18 through other means.

19 “(D) MULTIYEAR AGREEMENTS WITH ELI-
20 GIBLE PARTNERS.—

21 “(i) SOLICITATION OF PROPOSALS.—
22 Not later than 90 days after the date of
23 enactment of this subsection, the Secretary
24 shall invite prospective eligible partners to

1 submit proposals for regional water en-
2 hancement projects.

3 “(ii) ELEMENTS OF PROPOSALS.—To
4 be eligible for consideration for participa-
5 tion in the program, a proposal submitted
6 by an eligible partner shall include—

7 “(I) identification of the exact
8 geographic area for which the part-
9 nership is proposed, which may be
10 based on—

11 “(aa) a watershed (or por-
12 tion of a watershed);

13 “(bb) an irrigation, water,
14 or drainage district;

15 “(cc) the service area of an
16 irrigation water delivery entity;
17 or

18 “(dd) some other geographic
19 area with characteristics that
20 make the area suitable for land-
21 scape-wide program implementa-
22 tion;

23 “(II) identification of the water
24 quality or water quantity issues that
25 are of concern in the area;

1 “(III) a method for determining
2 a baseline assessment of water qual-
3 ity, water quantity, and other related
4 resource conditions in the region;

5 “(IV) a detailed description of
6 the proposed water quality or water
7 quantity improvement activities to be
8 undertaken in the area, including an
9 estimated timeline and program re-
10 sources for every activity; and

11 “(V) a description of the per-
12 formance measures to be used to
13 gauge the effectiveness of the water
14 quality or water quantity improvement
15 activities.

16 “(iii) SELECTION OF PROPOSALS.—
17 The Secretary shall award multiyear agree-
18 ments competitively, with priority given, as
19 determined by the Secretary, to selecting
20 proposals that—

21 “(I) have the highest likelihood
22 of improving the water quality or
23 quantity issues of concern for the
24 area;

1 “(II) involve multiple stake-
2 holders and will ensure the highest
3 level of participation by producers and
4 landowners in the area through per-
5 formance incentives to encourage
6 adoption of specific practices in spe-
7 cific locations;

8 “(III) will result in the inclusion
9 of the highest percentage of working
10 agricultural land in the area;

11 “(IV) will result in the highest
12 percentage of on-the-ground activities
13 as compared to administrative costs;

14 “(V) will provide the greatest
15 contribution to sustaining or enhanc-
16 ing agricultural or silvicultural pro-
17 duction in the area; and

18 “(VI) include performance meas-
19 ures that will allow post-activity con-
20 ditions to be satisfactorily measured
21 to gauge overall effectiveness.

22 “(iv) DURATION.—

23 “(I) IN GENERAL.—Multiyear
24 agreements under this subsection shall
25 be for a period not to exceed 5 years.

1 “(II) EARLY TERMINATION.—

2 The Secretary may terminate a
3 multiyear agreement before the end of
4 the agreement if the Secretary deter-
5 mines that performance measures are
6 not being met.

7 “(E) AGREEMENTS.—Not later than 30
8 days after the date on which the Secretary
9 awards an agreement under subparagraph (D),
10 the Secretary shall enter into an agreement
11 with the eligible partner that, at a minimum,
12 contains—

13 “(i) a description of the respective du-
14 ties and responsibilities of the Secretary
15 and the eligible partner in carrying out the
16 activities in the area; and

17 “(ii) the criteria that the Secretary
18 will use to evaluate the overall effectiveness
19 of the regional water enhancement activi-
20 ties funded by the multiyear agreement in
21 improving the water quality or quantity
22 conditions of the region relative to the per-
23 formance measures in the proposal.

24 “(F) CONTRACTS WITH OTHER PARTIES.—

25 An agreement awarded under subparagraph (D)

1 may provide for the use of third-party providers
2 (including other eligible partners) to undertake
3 specific regional water enhancement activities in
4 a region on a contractual basis with the Sec-
5 retary or the eligible partner.

6 “(G) CONSULTATION WITH OTHER AGEN-
7 CIES.—With respect to areas in which a Fed-
8 eral or State agency is, or will be, undertaking
9 other water quality or quantity-related activi-
10 ties, the Secretary and the eligible partner may
11 consult with the Federal or State agency in
12 order to—

13 “(i) coordinate activities;

14 “(ii) avoid duplication; and

15 “(iii) ensure that water quality or
16 quantity improvements attributable to the
17 other activities are taken into account in
18 the evaluation of the Secretary under sub-
19 paragraph (E)(ii).

20 “(H) RELATIONSHIP TO OTHER PRO-
21 GRAMS.—The Secretary shall ensure that, to
22 the extent that producers and landowners are
23 individually participating in other programs
24 under subtitle D in a region in which a regional
25 water enhancement project is in effect, any im-

1 provements to water quality or water quantity
2 attributable to the individual participation are
3 included in the evaluation criteria developed
4 under subparagraph (E)(ii).

5 “(I) CONSISTENCY WITH STATE LAW.—
6 Any water quality or water quantity improve-
7 ment activity undertaken under this paragraph
8 shall be consistent with State water laws.

9 “(7) FUNDING.—

10 “(A) IN GENERAL.—The Secretary shall
11 use not more than 5 percent of the funds made
12 available for conservation programs under sub-
13 title D for each fiscal year under section
14 1241(a) to carry out activities that are author-
15 ized under this subsection.

16 “(B) PARTNERS.—Overhead or adminis-
17 trative costs of partners may not be covered by
18 funds provided through this subsection.

19 “(C) UNUSED FUNDING.—Any funds made
20 available for a fiscal year under subparagraph
21 (A) that are not obligated by April 1 of the fis-
22 cal year may be used to carry out other activi-
23 ties under conservation programs under subtitle
24 D during the fiscal year in which the funding
25 becomes available.

1 “(g) ACCURACY OF PAYMENTS.—Immediately after
2 the date of enactment of this subsection, the Secretary
3 shall implement policies and procedures to ensure proper
4 payment of farm program benefits to producers partici-
5 pating in conservation easement programs and correct
6 other management deficiencies identified in Report No.
7 50099-11-SF issued by the Department of Agriculture Of-
8 fice of Inspector General in August 2007.

9 “(h) COMPLIANCE AND PERFORMANCE.—For each
10 conservation program under this title, the Secretary shall
11 develop procedures—

12 “(1) to monitor compliance with program re-
13 quirements by landowners and eligible entities;

14 “(2) to measure program performance;

15 “(3) to demonstrate whether the long-term con-
16 servation benefits of the program are being achieved;
17 and

18 “(4) to coordinate activities described in this
19 subsection with the national conservation program
20 authorized under section 5 of the Soil and Water
21 Resources Conservation Act of 1977 (16 U.S.C.
22 2004).

23 “(i) DIRECT ATTRIBUTION OF PAYMENTS.—In im-
24 plementing payment limitations for any program under
25 this title, the Secretary shall issue such regulations as are

1 necessary to ensure that the total amount of payments are
2 attributed to an individual by taking into account the di-
3 rect and indirect ownership interests of the individual in
4 an entity that is eligible to receive the payments.”.

5 (c) CONFORMING AMENDMENTS.—Section 1234 of
6 the Food Security Act of 1985 (16 U.S.C. 3834) is
7 amended—

8 (1) in subsection (d)(3)(B), by striking “(f)(4)”
9 and inserting “(f)(3)”; and

10 (2) in subsection (f)—

11 (A) in paragraph (1)—

12 (i) by striking “The total” and insert-
13 ing “Subject to section 1244(i), the total”;
14 and

15 (ii) by striking “a person” and insert-
16 ing “an individual”;

17 (B) by striking paragraph (2); and

18 (C) by redesignating paragraphs (3) and
19 (4) as paragraphs (2) and (3), respectively.

20 **SEC. 2406. CONSERVATION PROGRAMS IN ENVIRONMENTAL**
21 **SERVICES MARKETS.**

22 Subtitle E of the Food Security Act of 1985 (16
23 U.S.C. 3841 et seq.) is amended by adding at the end
24 the following:

1 **“SEC. 1245. CONSERVATION PROGRAMS IN ENVIRON-**
2 **MENTAL SERVICES MARKETS.**

3 “(a) FRAMEWORK.—

4 “(1) IN GENERAL.—The Secretary shall estab-
5 lish a framework to facilitate the participation of
6 farmers, ranchers, and forest landowners in emerg-
7 ing environmental services markets.

8 “(2) PROCESS.—In carrying out paragraph (1),
9 the Secretary shall use a collaborative process that
10 includes representatives of—

11 “(A) farm, ranch, and forestry interests;

12 “(B) financial institutions involved in envi-
13 ronmental services trading;

14 “(C) institutions of higher education with
15 relevant expertise or experience;

16 “(D) nongovernmental organizations with
17 relevant expertise or experience;

18 “(E) government agencies of relevant juris-
19 diction, including—

20 “(i) the Department of Commerce;

21 “(ii) the Department of Energy;

22 “(iii) the Department of the Interior;

23 “(iv) the Department of Transpor-
24 tation;

25 “(v) the Environmental Protection
26 Agency; and

1 “(vi) the Corps of Engineers; and

2 “(F) other appropriate interests, as deter-
3 mined by the Secretary.

4 “(3) REQUIREMENTS.—

5 “(A) DEFINITION OF STANDARD.—In this
6 paragraph, the term ‘standard’ means a tech-
7 nical guideline that outlines accepted, science-
8 based methods to quantify the environmental
9 services benefits from agricultural and forest
10 conservation and land management practices,
11 as determined by the Secretary.

12 “(B) FRAMEWORK REQUIREMENTS.—In
13 establishing the framework under paragraph
14 (1), the Secretary shall—

15 “(i) establish uniform standards;

16 “(ii) design accounting procedures to
17 quantify environmental services benefits
18 that would assist farmers, ranchers, and
19 forest landowners in using the uniform
20 standards to establish certifications, as de-
21 fined in emerging environmental services
22 markets;

23 “(iii) establish—

24 “(I) a protocol to report environ-
25 mental services benefits; and

1 “(II) a registry to report and
2 maintain the benefits for future use in
3 emerging environmental services mar-
4 kets; and

5 “(iv) establish a process to verify that
6 a farmer, rancher, or forest landowner that
7 reports and maintains an environmental
8 services benefit in the registry described in
9 clause (iii)(II) has implemented the re-
10 ported conservation or land management
11 activity.

12 “(C) THIRD-PARTY SERVICE PROVIDERS.—
13 In developing the process described in subpara-
14 graph (B)(iv), the Secretary shall consider the
15 role of third-party service providers.

16 “(4) COORDINATION.—The Secretary shall co-
17 ordinate and leverage activities in existence on the
18 date of enactment of this section in agriculture and
19 forestry relating to emerging environmental services
20 markets.

21 “(5) PRIORITY.—In establishing the framework
22 under this subsection, the Secretary shall give pri-
23 ority to providing assistance to farmers, ranchers,
24 and forest landowners participating in carbon mar-
25 kets.

1 “(b) AUTHORITY TO DELEGATE.—The Secretary
2 may delegate any responsibility under this section to a rel-
3 evant agency or office, as determined by the Secretary.

4 “(c) REPORTS TO CONGRESS.—

5 “(1) STATUS OF COLLABORATIVE PROCESS.—
6 Not later than 90 days after the date of enactment
7 of this section, the Secretary shall provide to the
8 Committee on Agriculture of the House of Rep-
9 resentatives and the Committee on Agriculture, Nu-
10 trition, and Forestry of the Senate information on
11 the status of the collaborative process under sub-
12 section (a)(2).

13 “(2) INTERIM REPORT.—Not later than 180
14 days after the date of enactment of this section, the
15 Secretary shall submit to the committees of Con-
16 gress described in paragraph (1) an interim report
17 that—

18 “(A) describes the adequacy of existing re-
19 search and methods to quantify environmental
20 services benefits;

21 “(B) proposes methods—

22 “(i) to establish technical guidelines,
23 accounting procedures, and reporting pro-
24 tocols; and

25 “(ii) to structure the registry; and

1 “(C) includes recommendations for actions
2 to remove barriers for farmers, ranchers, and
3 forest landowners to participation, reporting,
4 registration, and verification relating to envi-
5 ronmental services markets.

6 “(3) FINAL REPORT.—Not later than 18
7 months after the date of enactment of this section,
8 the Secretary shall submit to the committees of Con-
9 gress described in paragraph (1) a report that de-
10 scribes—

11 “(A) the progress of the Secretary in meet-
12 ing the requirements described in subsection
13 (a)(3)(B);

14 “(B) the rates of participation of farmers,
15 ranchers, and forest landowners in emerging
16 environmental services markets; and

17 “(C) any recommendations of the Sec-
18 retary relating to reauthorization of this sec-
19 tion.

20 “(d) FUNDING.—There are authorized to be appro-
21 priated to the Secretary to carry out this section such
22 sums as are necessary for each of fiscal years 2008
23 through 2012.”.

1 **Subtitle F—State Technical**
2 **Committees**

3 **SEC. 2501. STATE TECHNICAL COMMITTEES.**

4 (a) STANDARDS.—Section 1261 of the Food Security
5 Act of 1985 (16 U.S.C. 3861(c)) is amended by striking
6 subsection (b) and inserting the following:

7 “(b) STANDARDS.—Not later than 180 days after the
8 date of enactment of the Food and Energy Security Act
9 of 2007, the Secretary shall develop—

10 “(1) standard operating procedures to stand-
11 ardize the operations of State technical committees;
12 and

13 “(2) standards to be used by the State technical
14 committees in the development of technical guide-
15 lines under section 1262(b) for the implementation
16 of the conservation provisions of this title.”.

17 (b) COMPOSITION.—Section 1261(c) of the Food Se-
18 curity Act of 1985 (16 U.S.C. 3861(c)) is amended—

19 (1) by striking paragraphs (1) and (2) and in-
20 serting the following:

21 “(1) the Natural Resources Conservation Serv-
22 ice;

23 “(2) the Farm Service Agency;”;

24 (2) by striking paragraph (5) and inserting the
25 following:

1 “(5) Rural Development agencies;”;

2 (3) in paragraph (11), by striking “and” at the
3 end;

4 (4) in paragraph (12), by striking the period at
5 the end and inserting “; and”; and

6 (5) by adding at the end the following:

7 “(13) nonindustrial private forest land own-
8 ers.”.

9 (c) FACA REQUIREMENTS.—Section 1262(e) of the
10 Food Security Act of 1985 (16 U.S.C. 3862(e)) is amend-
11 ed—

12 (1) by striking “The committees” and inserting
13 the following:

14 “(1) IN GENERAL.—The committees”; and

15 (2) by adding at the end the following:

16 “(2) LOCAL WORKING GROUPS.—For purposes
17 of the Federal Advisory Committee Act (5 U.S.C.
18 App.), any local working group established under
19 this subtitle shall be considered to be a sub-
20 committee of the applicable State technical com-
21 mittee.”.

22 **Subtitle G—Other Authorities**

23 **SEC. 2601. AGRICULTURAL MANAGEMENT ASSISTANCE.**

24 Section 524(b) of the Federal Crop Insurance Act (7
25 U.S.C. 1524(b)) is amended—

1 (1) in paragraph (1), by inserting “Idaho” after
2 “Delaware”; and

3 (2) in paragraph (4)(B), by striking “2007”
4 each place it appears and inserting “2012”.

5 **SEC. 2602. AGRICULTURE CONSERVATION EXPERIENCED**
6 **SERVICES PROGRAM.**

7 The Department of Agriculture Reorganization Act
8 of 1994 (7 U.S.C. 6901 et seq.) is amended by adding
9 at the end the following:

10 **“SEC. 307. AGRICULTURE CONSERVATION EXPERIENCED**
11 **SERVICES PROGRAM.**

12 “(a) ESTABLISHMENT.—

13 “(1) IN GENERAL.—Notwithstanding any other
14 provision of law relating to Federal grants, coopera-
15 tive agreements, or contracts, there is established in
16 the Department the agriculture conservation experi-
17 enced services program (referred to in this section as
18 the ‘ACE program’).

19 “(2) AUTHORIZATION.—Under the ACE pro-
20 gram, the Secretary may offer to enter into agree-
21 ments with nonprofit private agencies and organiza-
22 tions eligible to receive grants for the applicable fis-
23 cal year under title V of the Older Americans Act
24 of 1965 (42 U.S.C. 3056 et seq.) to use the talents
25 of individuals who are age 55 or older, to provide

1 conservation technical assistance in support of the
2 administration of conservation-related programs and
3 authorities administered by the Secretary.

4 “(3) FUNDING.—Agreements described in para-
5 graph (2) may be carried out using funds made
6 available to carry out—

7 “(A) the environmental quality incentives
8 program of the comprehensive stewardship in-
9 centives program established under subchapter
10 A of chapter 6 of subtitle D of title XII of the
11 Food Security Act of 1985;

12 “(B) the Soil Conservation and Domestic
13 Allotment Act (16 U.S.C. 590a et seq.); or

14 “(C) title V of the Older Americans Act of
15 1965 (42 U.S.C. 3056).

16 “(b) DETERMINATION.—Prior to entering into an
17 agreement described in subsection (a)(2), the Secretary
18 shall determine that the agreement would not—

19 “(1) result in the displacement of individuals
20 employed by the Department, including partial dis-
21 placement through reduction of nonovertime hours,
22 wages, or employment benefits;

23 “(2) result in the use of an individual covered
24 by this section for a job or function in a case in
25 which a Federal employee is in a layoff status from

1 the same or a substantially-equivalent job or func-
2 tion with the Department; or

3 “(3) affect existing contracts for services.

4 “(c) TECHNICAL ASSISTANCE.—The Secretary may
5 make available to individuals providing technical assist-
6 ance under an agreement authorized by this section appro-
7 priate conservation technical tools, including the use of
8 agency vehicles necessary to carry out technical assistance
9 in support of the conservation-related programs affected
10 by the ACE program.”.

11 **SEC. 2603. TECHNICAL ASSISTANCE.**

12 (a) SOIL CONSERVATION AND DOMESTIC ALLOT-
13 MENT ACT.—

14 (1) PREVENTION OF SOIL EROSION.—

15 (A) IN GENERAL.—The first section of the
16 Soil Conservation and Domestic Allotment Act
17 (16 U.S.C. 590a) is amended—

18 (i) by striking “That it” and inserting
19 the following:

20 **“SECTION 1. PURPOSE.**

21 “It”; and

22 (ii) in the matter preceding paragraph
23 (1), by striking “and thereby to preserve
24 natural resources,” and inserting “to pre-

1 serve soil, water, and related resources,
2 promote soil and water quality,”.

3 (B) POLICIES AND PURPOSES.—Section
4 7(a)(1) of the Soil Conservation and Domestic
5 Allotment Act (16 U.S.C. 590g(a)(1)) is
6 amended by striking “fertility” and inserting
7 “and water quality and related resources”.

8 (2) DEFINITIONS.—Section 10 of the Soil Con-
9 servation and Domestic Allotment Act (16 U.S.C.
10 590j) is amended to read as follows:

11 **“SEC. 10. DEFINITIONS.**

12 “In this Act:

13 “(1) AGRICULTURAL COMMODITY.—The term
14 ‘agricultural commodity’ means—

15 “(A) an agricultural commodity; and

16 “(B) any regional or market classification,
17 type, or grade of an agricultural commodity.

18 “(2) TECHNICAL ASSISTANCE.—

19 “(A) IN GENERAL.—The term ‘technical
20 assistance’ means technical expertise, informa-
21 tion, and tools necessary for the conservation of
22 natural resources on land active in agricultural,
23 forestry, or related uses.

24 “(B) INCLUSIONS.—The term ‘technical
25 assistance’ includes—

1 “(i) technical services provided di-
2 rectly to farmers, ranchers, and other eligi-
3 ble entities, such as conservation planning,
4 technical consultation, and assistance with
5 design and implementation of conservation
6 practices; and

7 “(ii) technical infrastructure, includ-
8 ing activities, processes, tools, and agency
9 functions needed to support delivery of
10 technical services, such as technical stand-
11 ards, resource inventories, training, data,
12 technology, monitoring, and effects anal-
13 yses.”.

14 (b) SOIL AND WATER RESOURCES CONSERVATION
15 ACT OF 1977.—

16 (1) CONGRESSIONAL FINDINGS.—Section 2 of
17 the Soil and Water Resources Conservation Act of
18 1977 (16 U.S.C. 2001) is amended—

19 (A) in paragraph (2), by striking “base, of
20 the” and inserting “base of the”; and

21 (B) in paragraph (3), by striking “(3)”
22 and all that follows through “Since individual”
23 and inserting the following:

24 “(3) Appraisal and inventory of resources, as-
25 sessment and inventory of conservation needs, eval-

1 uation of the effects of conservation practices, and
2 analyses of alternative conservation programs are
3 basic to effective soil, water, and related natural re-
4 source conservation.

5 “(4) Since individual”.

6 (2) CONTINUING APPRAISAL OF SOIL, WATER,
7 AND RELATED RESOURCES.—Section 5 of the Soil
8 and Water Resources Conservation Act of 1977 (16
9 U.S.C. 2004) is amended—

10 (A) in subsection (a)—

11 (i) in paragraph (5), by striking
12 “and” at the end;

13 (ii) in paragraph (6), by striking the
14 period at the end and inserting “; and”;
15 and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(7) data on conservation plans, conservation
19 practices planned or implemented, environmental
20 outcomes, economic costs, and related matters under
21 conservation programs administered by the Sec-
22 retary.”;

23 (B) by redesignating subsection (d) as sub-
24 section (e);

1 (C) by inserting after subsection (c) the
2 following:

3 “(d) EVALUATION OF APPRAISAL.—In conducting
4 the appraisal described in subsection (a), the Secretary
5 shall concurrently solicit and evaluate recommendations
6 for improving the appraisal, including the content, scope,
7 process, participation in, and other elements of the ap-
8 praisal, as determined by the Secretary.”; and

9 (D) in subsection (e) (as redesignated by
10 subparagraph (B)), by striking “December 31,
11 1979” and all that follows through “December
12 31, 2005” and inserting “December 31, 2010,
13 December 31, 2015, December 31, 2020, and
14 December 31, 2025”.

15 (3) SOIL AND WATER CONSERVATION PRO-
16 GRAM.—Section 6 of the Soil and Water Resources
17 Conservation Act of 1977 (16 U.S.C. 2005) is
18 amended—

19 (A) by redesignating subsection (b) as sub-
20 section (d);

21 (B) by inserting after subsection (a) the
22 following:

23 “(b) EVALUATION OF EXISTING CONSERVATION
24 PROGRAMS.—In evaluating existing conservation pro-
25 grams, the Secretary shall emphasize demonstration, inno-

1 vation, and monitoring of specific program components in
2 order to encourage further development and adoption of
3 practices and performance-based standards.

4 “(c) IMPROVEMENT TO PROGRAM.—In developing a
5 national soil and water conservation program under sub-
6 section (a), the Secretary shall solicit and evaluate rec-
7 ommendations for improving the program, including the
8 content, scope, process, participation in, and other ele-
9 ments of the program, as determined by the Secretary.”;
10 and

11 (C) in subsection (d) (as redesignated by
12 subparagraph (A)), by striking “December 31,
13 1979” and all that follows through “December
14 31, 2007” and inserting “December 31, 2011,
15 December 31, 2016, December 31, 2021, and
16 December 31, 2026”.

17 (4) REPORTS TO CONGRESS.—Section 7 of the
18 Soil and Water Resources Conservation Act of 1977
19 (16 U.S.C. 2006) is amended to read as follows:

20 **“SEC. 7. REPORTS TO CONGRESS.**

21 “(a) APPRAISAL.—Not later than the date on which
22 Congress convenes in 2011, 2016, 2021, and 2026, the
23 President shall transmit to the Speaker of the House of
24 Representatives and the President of the Senate the ap-

1 praisal developed under section 5 and completed prior to
2 the end of the previous year.

3 “(b) PROGRAM AND STATEMENT OF POLICY.—Not
4 later than the date on which Congress convenes in 2012,
5 2017, 2022, and 2027, the President shall transmit to the
6 Speaker of the House of Representatives and the Presi-
7 dent of the Senate—

8 “(1) the initial program or updated program
9 developed under section 6 and completed prior to the
10 end of the previous year;

11 “(2) a detailed statement of policy regarding
12 soil and water conservation activities of the Depart-
13 ment of Agriculture; and

14 “(3) a special evaluation of the status, condi-
15 tions, and trends of soil quality on cropland in the
16 United States that addresses the challenges and op-
17 portunities for reducing soil erosion to tolerance lev-
18 els.

19 “(c) IMPROVEMENTS TO APPRAISAL AND PRO-
20 GRAM.—Not later than the date on which Congress con-
21 venes in 2012, the Secretary shall submit to the Speaker
22 of the House of Representatives and the President of the
23 Senate a report describing the plans of the Department
24 of Agriculture for improving the resource appraisal and
25 national conservation program required under this Act,

1 based on the recommendations received under sections
2 5(d) and 6(c).”.

3 (5) TERMINATION OF PROGRAM.—Section 10 of
4 the Soil and Water Resources Conservation Act of
5 1977 (16 U.S.C. 2009) is amended by striking
6 “2008” and inserting “2028”.

7 **SEC. 2604. SMALL WATERSHED REHABILITATION PRO-**
8 **GRAM.**

9 Section 14 of the Watershed Protection and Flood
10 Prevention Act (16 U.S.C. 1012) is amended by striking
11 subsection (h) and inserting the following:

12 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated such sums as are nec-
14 essary to carry out this section for each of fiscal years
15 2008 through 2012.”.

16 **SEC. 2605. RESOURCE CONSERVATION AND DEVELOPMENT**
17 **PROGRAM.**

18 (a) LOCALLY LED PLANNING PROCESS.—Section
19 1528 of the Agriculture and Food Act of 1981 (16 U.S.C.
20 3451) is amended—

21 (1) in paragraph (1), in the matter preceding
22 subparagraph (A), by striking “planning process”
23 and inserting “locally led planning process”;

1 (2) by redesignating paragraphs (8) and (9) as
2 paragraphs (9) and (8), respectively, and moving
3 those paragraphs so as to appear in numerical order;

4 (3) in paragraph (8) (as so redesignated)—

5 (A) by striking “(8) PLANNING PROCESS”
6 and inserting “(8) LOCALLY LED PLANNING
7 PROCESS”; and

8 (B) by striking “council” and inserting
9 “locally led council”.

10 (b) AUTHORIZED TECHNICAL ASSISTANCE.—Section
11 1528(13) of the Agriculture and Food Act of 1981 (16
12 U.S.C. 3451(13)) is amended by striking subparagraphs
13 (C) and (D) and inserting the following:

14 “(C) providing assistance for the imple-
15 mentation of area plans and projects; and

16 “(D) providing services that involve the re-
17 sources of Department of Agriculture programs
18 in a local community, as defined in the locally
19 led planning process.”.

20 (c) IMPROVED PROVISION OF TECHNICAL ASSIST-
21 ANCE.—Section 1531 of the Agriculture and Food Act of
22 1981 (16 U.S.C. 3454) is amended—

23 (1) by redesignating paragraphs (1) through
24 (4) as clauses (i) through (iv), respectively, and in-
25 denting appropriately;

1 (2) by striking “In carrying” and inserting the
2 following:

3 “(1) IN GENERAL.—In carrying”; and

4 (3) by adding at the end the following:

5 “(b) COORDINATOR.—

6 “(1) IN GENERAL.—To improve the provision of
7 technical assistance to councils under this subtitle,
8 the Secretary shall designate for each council an in-
9 dividual to be the coordinator for the council.

10 “(2) RESPONSIBILITY.—A coordinator for a
11 council shall be directly responsible for the provision
12 of technical assistance to the council.”.

13 (d) PROGRAM EVALUATION.—Section 1534 of the
14 Agriculture and Food Act of 1981 (16 U.S.C. 3457) is
15 repealed.

16 **SEC. 2606. NATIONAL NATURAL RESOURCES CONSERVA-**
17 **TION FOUNDATION.**

18 (a) ADVISORY FUNCTIONS.—Section 353 of the Fed-
19 eral Agriculture Improvement and Reform Act of 1996
20 (16 U.S.C. 5802) is amended—

21 (1) in subsection (b)(3), by striking “agencies”
22 and inserting “agencies, individuals,”; and

23 (2) by adding at the end the following:

24 “(d) ADVISORY FUNCTIONS.—Notwithstanding the
25 requirements of the Federal Advisory Committee Act (5

1 U.S.C. App.), the Foundation may provide advice and rec-
2 ommendations to the Secretary.”.

3 (b) GIFTS, DEVISES, AND BEQUESTS OF PERSONAL
4 PROPERTY.—Section 354 of the Federal Agriculture Im-
5 provement and Reform Act of 1996 (16 U.S.C. 5803) is
6 amended by adding at the end the following:

7 “(h) GIFTS, DEVISES, AND BEQUESTS OF PERSONAL
8 PROPERTY.—

9 “(1) IN GENERAL.—Prior to the appointment
10 and initial meeting of the members of the Board and
11 after the initial meeting of the Board, the Secretary
12 may, on behalf of the Foundation—

13 “(A) accept, receive, and hold nonmonetary
14 gifts, devises, or bequests of personal property;
15 and

16 “(B) accept and receive monetary gifts, de-
17 vises, or bequests.

18 “(2) HELD IN TRUST.—Gifts, devises, or be-
19 quests of monetary and nonmonetary personal prop-
20 erty shall—

21 “(A) be held in trust for the Foundation;
22 and

23 “(B) shall not be—

24 “(i) considered gifts to the United
25 States; or

1 “(ii) used for the benefit of the
2 United States.

3 “(3) TREASURY ACCOUNT.—The Secretary shall
4 deposit monetary gifts, devises, and bequests to the
5 Foundation in a special interest-bearing account in
6 the Treasury of the United States.

7 “(4) INITIAL GIFTS, DEVISES, AND BE-
8 QUESTS.—

9 “(A) IN GENERAL.—The Secretary may
10 use initial gifts, devises, or bequests received
11 prior to the first meeting of the Board for any
12 necessary expenses and activities related to the
13 first meeting of the Board.

14 “(B) TRANSFER.—Except with respect to
15 any amounts expended under subparagraph
16 (A), the Secretary shall, at the first meeting of
17 the Board, transfer to the Foundation all gifts,
18 devises, or bequests received prior to the first
19 meeting of the Board.”.

20 (c) OFFICERS AND EMPLOYEES.—Section 355(b)(1)
21 of the Federal Agriculture Improvement and Reform Act
22 of 1996 (16 U.S.C. 5804(b)(1)) is amended—

23 (1) by striking “Foundation—” and all that fol-
24 lows through “shall not,” in subparagraph (A) and
25 inserting “Foundation shall not”;

1 (2) by striking “employee; and” and inserting
2 “employee.”; and

3 (3) by striking subparagraph (B).

4 (d) CONTRACTS AND AGREEMENTS.—Section 356 of
5 the Federal Agriculture Improvement Reform Act of 1996
6 (16 U.S.C. 5805) is amended—

7 (1) in subsection (c)(7), by striking “State or
8 local” and inserting “Federal, State, or local”; and

9 (2) in subsection (d)(2)—

10 (A) by striking “A gift” and inserting the
11 following:

12 “(A) IN GENERAL.—A gift”; and

13 (B) by adding at the end the following:

14 “(B) TAX STATUS.—A gift, devise, or be-
15 quest to the Foundation shall be treated as a
16 gift, devise, or bequest to an organization ex-
17 empt from taxation under section 501(c)(3) of
18 the Internal Revenue Code of 1986.”.

19 (e) ADMINISTRATIVE SERVICES AND SUPPORT.—Sec-
20 tion 356 of the Federal Agriculture Improvement Reform
21 Act of 1996 (16 U.S.C. 5806) is amended by striking
22 “1996 through 1998” and inserting “2008 through
23 2012.”.

1 **SEC. 2607. DESERT TERMINAL LAKES.**

2 Section 2507 of the Farm Security and Rural Invest-
3 ment Act of 2002 (43 U.S.C. 2211 note; Public Law 107-
4 171) is amended—

5 (1) by striking “(a)” and all that follows
6 through “the Secretary of Agriculture” and inserting
7 the following: “Subject to paragraph (1) of section
8 207 of Public Law 108–7 (117 Stat. 146), notwith-
9 standing paragraph (3) of that section, on the date
10 of enactment of the Food and Energy Security Act
11 of 2007, the Secretary of Agriculture”; and

12 (2) by striking subsection (b).

13 **SEC. 2608. CROP INSURANCE INELIGIBILITY RELATING TO**
14 **CROP PRODUCTION ON NATIVE SOD.**

15 (a) **FEDERAL CROP INSURANCE.**—Section 508 of the
16 Federal Crop Insurance Act (7 U.S.C. 1508) is amended
17 by adding at the end the following:

18 “(o) **CROP INSURANCE INELIGIBILITY RELATING TO**
19 **CROP PRODUCTION ON NATIVE SOD.**—

20 “(1) **DEFINITION OF NATIVE SOD.**—In this sub-
21 section, the term ‘native sod’ means land—

22 “(A) on which the plant cover is composed
23 principally of native grasses, grasslike plants,
24 forbs, or shrubs suitable for grazing and brows-
25 ing; and

1 “(B) that has never been used for produc-
2 tion of an agricultural commodity.

3 “(2) INELIGIBILITY.—Native sod acreage on
4 which an agricultural commodity is planted for
5 which a policy or plan of insurance is available
6 under this title shall be ineligible for benefits under
7 this Act.”.

8 (b) NONINSURED CROP DISASTER ASSISTANCE.—
9 Section 196(a) of the Federal Agriculture Improvement
10 and Reform Act of 1996 (7 U.S.C. 7333(a)) is amended
11 by adding at the end the following:

12 “(4) PROGRAM INELIGIBILITY RELATING TO
13 CROP PRODUCTION ON NATIVE SOD.—

14 “(A) DEFINITION OF NATIVE SOD.—In
15 this paragraph, the term ‘native sod’ means
16 land—

17 “(i) on which the plant cover is com-
18 posed principally of native grasses, grass-
19 like plants, forbs, or shrubs suitable for
20 grazing and browsing; and

21 “(ii) that has never been used for pro-
22 duction of an agricultural commodity.

23 “(B) INELIGIBILITY.—Native sod acreage
24 on which an agricultural commodity is planted
25 for which a policy or plan of Federal crop in-

1 surance is available shall be ineligible for bene-
2 fits under this section.”.

3 (c) CROPLAND REPORT.—

4 (1) BASELINE.—Not later than 180 days after
5 the date of enactment of this Act, the Secretary
6 shall submit to the Committee on Agriculture of the
7 House of Representatives and the Committee on Ag-
8 riculture, Nutrition, and Forestry of the Senate a
9 report that describes the cropland acreage in each
10 county and State, and the change in cropland acre-
11 age from the preceding year in each county and
12 State, beginning with calendar year 1995 and in-
13 cluding that information for the most recent year for
14 which that information is available.

15 (2) ANNUAL UPDATES.—Not later than Janu-
16 ary 1, 2008, and each January 1 thereafter through
17 January 1, 2012, the Secretary shall submit to the
18 Committee on Agriculture of the House of Rep-
19 resentatives and the Committee on Agriculture, Nu-
20 trition, and Forestry of the Senate a report that de-
21 scribes—

22 (A) the cropland acreage in each county
23 and State as of the date of submission of the
24 report; and

1 (B) the change in cropland acreage from
2 the preceding year in each county and State.

3 **SEC. 2609. HIGH PLAINS WATER STUDY.**

4 Notwithstanding any other provision of this Act, no
5 person shall become ineligible for any program benefits
6 under this Act or an amendment made by this Act solely
7 as a result of participating in a 1-time study of recharge
8 potential for the Ogallala Aquifer in the High Plains of
9 the State of Texas.

10 **SEC. 2610. PAYMENT OF EXPENSES.**

11 Section 17(d) of the Federal Insecticide, Fungicide,
12 and Rodenticide Act (7 U.S.C. 136o(d)) is amended—

13 (1) by striking “The Administrator” and insert-
14 ing the following:

15 “(1) IN GENERAL.—The Administrator”; and

16 (2) by adding at the end the following:

17 “(2) DEPARTMENT OF STATE EXPENSES.—Any
18 expenses incurred by an employee of the Environ-
19 mental Protection Agency who participates in any
20 international technical, economic, or policy review
21 board, committee, or other official body that is meet-
22 ing in relation to an international treaty shall be
23 paid by the Department of State.”.

1 **SEC. 2611. USE OF FUNDS IN BASIN FUNDS FOR SALINITY**
2 **CONTROL ACTIVITIES UPSTREAM OF IMPE-**
3 **RIAL DAM.**

4 (a) IN GENERAL.—Section 202(a) of the Colorado
5 River Basin Salinity Control Act (43 U.S.C. 1592(a)) is
6 amended by adding at the end the following:

7 “(7) BASIN STATES PROGRAM.—

8 “(A) IN GENERAL.—A Basin States Pro-
9 gram that the Secretary, acting through the
10 Bureau of Reclamation, shall implement to
11 carry out salinity control activities in the Colo-
12 rado River Basin using funds made available
13 under section 205(f).

14 “(B) ASSISTANCE.—The Secretary, in con-
15 sultation with the Colorado River Basin Salinity
16 Control Advisory Council, shall carry out this
17 paragraph using funds described in subpara-
18 graph (A) directly or by providing grants, grant
19 commitments, or advance funds to Federal or
20 non-Federal entities under such terms and con-
21 ditions as the Secretary may require.

22 “(C) ACTIVITIES.—Funds described in
23 subparagraph (A) shall be used to carry out, as
24 determined by the Secretary—

25 “(i) cost-effective measures and asso-
26 ciated works to reduce salinity from saline

1 springs, leaking wells, irrigation sources,
2 industrial sources, erosion of public and
3 private land, or other sources;

4 “(ii) operation and maintenance of sa-
5 linity control features constructed under
6 the Colorado River Basin salinity control
7 program; and

8 “(iii) studies, planning, and adminis-
9 tration of salinity control activities.

10 “(D) REPORT.—

11 “(i) IN GENERAL.—Not later than 30
12 days before implementing the program es-
13 tablished under this paragraph, the Sec-
14 retary shall submit to the appropriate com-
15 mittees of Congress a planning report that
16 describes the proposed implementation of
17 the program.

18 “(ii) IMPLEMENTATION.—The Sec-
19 retary may not expend funds to implement
20 the program established under this para-
21 graph before the expiration of the 30-day
22 period beginning on the date on which the
23 Secretary submits the report, or any revi-
24 sion to the report, under clause (i).”.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 202 of the Colorado River Basin
2 Salinity Control Act (43 U.S.C. 1592) is amended—

3 (A) in subsection (a), in the matter pre-
4 ceding paragraph (1), by striking “program”
5 and inserting “programs”; and

6 (B) in subsection (b)(4)—

7 (i) by striking “program” and insert-
8 ing “programs”; and

9 (ii) by striking “and (6)” and insert-
10 ing “(6), and (7)”.

11 (2) Section 205 of the Colorado River Basin
12 Salinity Control Act (43 U.S.C. 1595) is amended
13 by striking subsection (f) and inserting the fol-
14 lowing:

15 “(f) UPFRONT COST SHARE.—

16 “(1) IN GENERAL.—Effective beginning on the
17 date of enactment of this paragraph, subject to
18 paragraph (3), the cost share obligations required by
19 this section shall be met through an upfront cost
20 share from the Basin Funds, in the same propor-
21 tions as the cost allocations required under sub-
22 section (a), as provided in paragraph (2).

23 “(2) BASIN STATES PROGRAM.—The Secretary
24 shall expend the required cost share funds described
25 in paragraph (1) through the Basin States Program

1 for salinity control activities established under sec-
2 tion 202(a)(7).

3 “(3) EXISTING SALINITY CONTROL ACTIVI-
4 TIES.—The cost share contribution required by this
5 section shall continue to be met through repayment
6 in a manner consistent with this section for all salin-
7 ity control activities for which repayment was com-
8 menced prior to the date of enactment of this para-
9 graph.”.

10 **SEC. 2612. GREAT LAKES COMMISSION.**

11 (a) IN GENERAL.—The Secretary, in consultation
12 with the Great Lakes Commission created by article IV
13 of the Great Lakes Basin Compact (Public Law 90–419;
14 82 Stat. 415), and in cooperation with the Administrator
15 of the Environmental Protection Agency and the Secretary
16 of the Army, may carry out the Great Lakes basin pro-
17 gram for soil erosion and sediment control (referred to in
18 this section as the “program”) to assist in implementing
19 the recommendations of the Great Lakes Regional Col-
20 laboration Strategy to Restore and Protect the Great
21 Lakes.

22 (b) ASSISTANCE.—In carrying out the program, the
23 Secretary may—

24 (1) provide project demonstration grants, pro-
25 vide technical assistance, and carry out information

1 and education programs to improve water quality in
2 the Great Lakes basin by reducing soil erosion and
3 improving sediment control; and

4 (2) provide a priority for projects and activities
5 that—

6 (A) directly reduce soil erosion or improve
7 sediment control;

8 (B) reduce soil loss in degraded rural wa-
9 tersheds; or

10 (C) improve hydrologic conditions in urban
11 watersheds.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There is
13 authorized to be appropriated to carry out this section
14 \$5,000,000 for each of fiscal years 2007 through 2012.

15 **SEC. 2613. TECHNICAL CORRECTIONS TO THE FEDERAL IN-**
16 **SECTICIDE, FUNGICIDE, AND RODENTICIDE**
17 **ACT.**

18 (a) PESTICIDE REGISTRATION SERVICE FEES.—Sec-
19 tion 33 of the Federal Insecticide, Fungicide, and
20 Rodenticide Act (7 U.S.C. 136w–8) is amended—

21 (1) in subsection (b)(7)—

22 (A) in subparagraph (D)—

23 (i) by striking clause (i) and inserting
24 the following:

1 “(i) IN GENERAL.—The Administrator
2 may exempt from, or waive a portion of,
3 the registration service fee for an applica-
4 tion for minor uses for a pesticide.”; and

5 (ii) in clause (ii), by inserting “or ex-
6 emption” after “waiver”; and

7 (B) in subparagraph (E)—

8 (i) in the paragraph heading, by strik-
9 ing “WAIVER” and inserting “EXEMP-
10 TION”;

11 (ii) by striking “waive the registration
12 service fee for an application” and insert-
13 ing “exempt an application from the reg-
14 istration service fee”; and

15 (iii) in clause (ii), by striking “waiv-
16 er” and inserting “exemption”; and

17 (2) in subsection (m)(2), by striking “2008”
18 each place it appears and inserting “2012”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 subsection (a) take effect on October 1, 2007.

21 **TITLE III—TRADE**

22 **Subtitle A—Food for Peace Act**

23 **SEC. 3001. SHORT TITLE.**

24 (a) IN GENERAL.—Section 1 of the Agricultural
25 Trade Development and Assistance Act of 1954 (7 U.S.C.

1 1691 note; 104 Stat. 3633) is amended by striking “Agri-
2 cultural Trade Development and Assistance Act of 1954”
3 and inserting “Food for Peace Act”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) IN GENERAL.—Each provision of law de-
6 scribed in paragraph (2) is amended—

7 (A) by striking “Agricultural Trade Devel-
8 opment and Assistance Act of 1954” each place
9 it appears and inserting “Food for Peace Act”;
10 and

11 (B) in each section heading, by striking
12 “**AGRICULTURAL TRADE DEVELOPMENT**
13 **AND ASSISTANCE ACT OF 1954**” each place it
14 appears and inserting “**FOOD FOR PEACE**
15 **ACT**”.

16 (2) PROVISIONS OF LAW.—The provisions of
17 law referred to in paragraph (1) are the following:

18 (A) The Agriculture and Food Act of 1981
19 (Public Law 97–98; 95 Stat. 1213).

20 (B) The Agricultural Act of 1949 (7
21 U.S.C. 1421 et seq.).

22 (C) Section 9(a) of the Military Construc-
23 tion Codification Act (7 U.S.C. 1704c).

1 (D) Section 201 of the Africa: Seeds of
2 Hope Act of 1998 (7 U.S.C. 1721 note; Public
3 Law 105–385).

4 (E) The Bill Emerson Humanitarian Trust
5 Act (7 U.S.C. 1736f–1 et seq.).

6 (F) The Food for Progress Act of 1985 (7
7 U.S.C. 1736o).

8 (G) Section 3107 of the Farm Security
9 and Rural Investment Act of 2002 (7 U.S.C.
10 1736o–1).

11 (H) Sections 605B and 606C of the Act of
12 August 28, 1954 (commonly known as the “Ag-
13 ricultural Act of 1954”) (7 U.S.C. 1765b,
14 1766b).

15 (I) Section 206 of the Agricultural Act of
16 1956 (7 U.S.C. 1856).

17 (J) The Agricultural Competitiveness and
18 Trade Act of 1988 (7 U.S.C. 5201 et seq.).

19 (K) The Agricultural Trade Act of 1978 (7
20 U.S.C. 5601 et seq.).

21 (L) The Export-Import Bank Act of 1945
22 (12 U.S.C. 635 et seq.).

23 (M) Section 301 of title 13, United States
24 Code.

1 (N) Section 8 of the Endangered Species
2 Act of 1973 (16 U.S.C. 1537).

3 (O) Section 604 of the Enterprise for the
4 Americas Act of 1992 (22 U.S.C. 2077).

5 (P) Section 5 of the International Health
6 Research Act of 1960 (22 U.S.C. 2103).

7 (Q) The Foreign Assistance Act of 1961
8 (22 U.S.C. 2151 et seq.).

9 (R) The Horn of Africa Recovery and
10 Food Security Act (22 U.S.C. 2151 note; Pub-
11 lic Law 102–274).

12 (S) Section 105 of the Mutual Educational
13 and Cultural Exchange Act of 1961 (22 U.S.C.
14 2455).

15 (T) Section 35 of the Foreign Military
16 Sales Act (22 U.S.C. 2775).

17 (U) The Support for East European De-
18 mocracy (SEED) Act of 1989 (22 U.S.C. 5401
19 et seq.).

20 (V) Section 1707 of the Cuban Democracy
21 Act of 1992 (22 U.S.C. 6006).

22 (W) The Cuban Liberty and Democratic
23 Solidarity (LIBERTAD) Act of 1996 (22
24 U.S.C. 6021 et seq.).

1 (X) Section 902 of the Trade Sanctions
2 Reform and Export Enhancement Act of 2000
3 (22 U.S.C. 7201).

4 (Y) Chapter 553 of title 46, United State
5 Code.

6 (Z) Section 4 of the Strategic and Critical
7 Materials Stock Piling Act (50 U.S.C. 98e).

8 (AA) The Food, Agriculture, Conservation,
9 and Trade Act of 1990 (Public Law 101–624;
10 104 Stat. 3359).

11 (BB) Section 738 of the Agriculture, Rural
12 Development, Food and Drug Administration,
13 and Related Agencies Appropriations Act, 2001
14 (Public Law 106–387; 114 Stat 1549A-34).

15 (c) REFERENCES.—Any reference in any Federal,
16 State, tribal, or local law (including regulations) to the
17 “Agricultural Trade Development and Assistance Act of
18 1954” shall be considered to be a reference to the “Food
19 for Peace Act”.

20 **SEC. 3002. UNITED STATES POLICY.**

21 Section 2 of the Food for Peace Act (7 U.S.C. 1691)
22 is amended—

23 (1) by striking paragraph (4); and

24 (2) by redesignating paragraphs (5) and (6) as
25 paragraphs (4) and (5), respectively.

1 **SEC. 3003. FOOD AID TO DEVELOPING COUNTRIES.**

2 Section 3(b) of the Food for Peace Act (7 U.S.C.
3 1691a(b)) is amended by striking “(b)” and all that fol-
4 lows through paragraph (1) and inserting the following:

5 “(b) SENSE OF CONGRESS.—It is the sense of Con-
6 gress that—

7 “(1) in negotiations with other countries at the
8 Food Aid Convention, the World Trade Organiza-
9 tion, the United Nations Food and Agriculture Or-
10 ganization, and other appropriate venues, the Presi-
11 dent shall—

12 “(A) seek commitments of higher levels of
13 food aid by donors in order to meet the legiti-
14 mate needs of developing countries;

15 “(B) ensure, to the maximum extent prac-
16 ticable, that humanitarian nongovernmental or-
17 ganizations, recipient country governments,
18 charitable bodies, and international organiza-
19 tions shall continue—

20 “(i) to be eligible to receive resources
21 based on assessments of need conducted by
22 those organizations and entities; and

23 “(ii) to implement food aid programs
24 in agreements with donor countries; and

25 “(C) ensure, to the maximum extent prac-
26 ticable, that options for providing food aid for

1 emergency and nonemergency, or chronic, needs
2 shall not be subject to limitation, including in-
3 kind commodities, provision of funds for com-
4 modity procurement, and monetization of com-
5 modities, on the condition that the provision of
6 those commodities or funds—

7 “(i) is based on assessments of need
8 and intended to benefit the food security of
9 or otherwise assist recipients, and

10 “(ii) is provided in a manner that
11 avoids disincentives to local agricultural
12 production and marketing and with mini-
13 mal potential for disruption of commercial
14 markets; and”.

15 **SEC. 3004. TRADE AND DEVELOPMENT ASSISTANCE.**

16 (a) Title I of the Food for Peace Act (7 U.S.C. 1701
17 et seq.) is amended in the title heading, by striking
18 **“TRADE AND DEVELOPMENT ASSISTANCE”**
19 and inserting **“ECONOMIC ASSISTANCE AND**
20 **FOOD SECURITY”**.

21 (b) Section 101 of the Food for Peace Act (7 U.S.C.
22 1701) is amended in the section heading, by striking
23 **“TRADE AND DEVELOPMENT ASSISTANCE”** and in-
24 serting **“ECONOMIC ASSISTANCE AND FOOD SECU-**
25 **RITY”**.

1 **SEC. 3005. AGREEMENTS REGARDING ELIGIBLE COUN-**
2 **TRIES AND PRIVATE ENTITIES.**

3 Section 102 of the Food for Peace Act (7 U.S.C.
4 1702) is amended—

5 (1) in subsection (a)—

6 (A) by striking paragraph (1); and

7 (B) by redesignating paragraphs (2) and

8 (3) as paragraphs (1) and (2), respectively; and

9 (2) by striking subsection (c).

10 **SEC. 3006. USE OF LOCAL CURRENCY PAYMENTS.**

11 Section 104(c) of the Food for Peace Act (7 U.S.C.
12 1704(c)) is amended—

13 (1) in the matter preceding paragraph (1), by
14 inserting “, through agreements with recipient gov-
15 ernments, private voluntary organizations, and co-
16 operatives,” after “developing country”;

17 (2) in paragraph (2)—

18 (A) in subparagraph (C), by striking
19 “and” at the end;

20 (B) in subparagraph (D), by striking the
21 period at the end and inserting “; and”; and

22 (C) by adding at the end the following:

23 “(E) the improvement of the trade capac-
24 ity of the recipient country.”;

25 (3) by striking paragraphs (1), (3), (4), (5),
26 and (6); and

1 (4) by redesignating paragraphs (2), (7), (8),
2 and (9) as paragraphs (1), (2), (3), and (4), respec-
3 tively.

4 **SEC. 3007. GENERAL AUTHORITY.**

5 Section 201 of the Food for Peace Act (7 U.S.C.
6 1721) is amended—

7 (1) by striking paragraph (1) and inserting the
8 following:

9 “(1) address famine and respond to emergency
10 food needs arising from man-made and natural dis-
11 asters;”;

12 (2) in paragraph (5), by inserting “food secu-
13 rity and support” after “promote”; and

14 (3) by striking paragraph (6) and inserting the
15 following:

16 “(6) protect livelihoods, provide safety nets for
17 food insecure populations, and encourage participa-
18 tion in educational, training, and other productive
19 activities.”.

20 **SEC. 3008. PROVISION OF AGRICULTURAL COMMODITIES.**

21 Section 202 of the Food for Peace Act (7 U.S.C.
22 1722) is amended—

23 (1) in subsection (b)(2), by striking “may not
24 deny a request for funds” and inserting “may not

1 use as a sole rationale for denying a request for
2 funds”;

3 (2) in subsection (e)(1)—

4 (A) in the matter preceding subparagraph
5 (A)—

6 (i) by striking “Of the funds made
7 available in” and inserting “Of the total
8 amount of funds made available from all
9 sources for”; and

10 (ii) by striking “not less than 5 per-
11 cent nor more than 10 percent” and in-
12 serting “not less than 7.5 percent”;

13 (B) in subparagraph (A), by striking
14 “and” at the end;

15 (C) by striking subparagraph (B) and in-
16 serting the following:

17 “(B) meeting specific administrative, man-
18 agement, personnel, programmatic, and oper-
19 ational activities, and internal transportation
20 and distribution costs for carrying out new and
21 existing programs in foreign countries under
22 this title; and”

23 (D) by adding at the end the following:

1 “(C) improving and implementing meth-
2 odologies for food aid programs, including needs
3 assessments, monitoring, and evaluation.”; and
4 (3) by striking subsection (h) and inserting the
5 following:

6 “(h) FOOD AID QUALITY.—

7 “(1) IN GENERAL.—The Administrator shall
8 use funds made available for fiscal year 2008 and
9 subsequent fiscal years to carry out this title—

10 “(A) to assess the types and quality of ag-
11 ricultural commodities and products donated for
12 food aid;

13 “(B) to adjust products and formulations
14 as necessary to cost-effectively meet nutrient
15 needs of target populations; and

16 “(C) to pretest prototypes.

17 “(2) ADMINISTRATION.—The Administrator—

18 “(A) shall carry out this subsection in con-
19 sultation with and through an independent enti-
20 ty with proven impartial expertise in food aid
21 commodity quality enhancements;

22 “(B) may enter into contracts to obtain
23 the services of such an entity; and

1 “(C) shall consult with the Food Aid Con-
2 sultative Group on how to carry out this sub-
3 section.

4 “(3) REPORTS.—The Administrator shall sub-
5 mit to the Committees on Agriculture and Foreign
6 Affairs of the House of Representatives and the
7 Committee on Agriculture, Nutrition, and Forestry
8 of the Senate—

9 “(A) a report that describes the activities
10 of the Administrator in carrying out paragraph
11 (1) for fiscal year 2008; and

12 “(B) an annual report that describes the
13 progress of the Administrator in addressing
14 food aid quality issues.”.

15 **SEC. 3009. MICROENTERPRISE ACTIVITIES.**

16 Section 203(d)(2) of the Food for Peace Act (7
17 U.S.C.1723(d)(2)) is amended by inserting “, including
18 activities involving microenterprise and village banking,”
19 after “other developmental activities”.

20 **SEC. 3010. LEVELS OF ASSISTANCE.**

21 Section 204(a)(1) of the Food for Peace Act (7
22 U.S.C. 1724(a)(1)) is amended by striking “2007” and
23 inserting “2012”.

1 **SEC. 3011. FOOD AID CONSULTATIVE GROUP.**

2 Section 205 of the Food for Peace Act (7 U.S.C.
3 1725) is amended—

4 (1) in subsection (b)—

5 (A) in paragraph (5), by striking “and” at
6 the end;

7 (B) in paragraph (6), by striking the pe-
8 riod and inserting “; and”; and

9 (C) by inserting at the end the following:

10 “(7) representatives from the maritime trans-
11 portation sector involved in transporting agricultural
12 commodities overseas for programs under this Act.”;

13 (2) in subsection (d)—

14 (A) by striking “In preparing” and insert-
15 ing the following:

16 “(1) IN GENERAL.—In preparing”;

17 (B) by striking “The Administrator” and
18 inserting the following:

19 “(2) BIENNIAL CONSULTATION.—The Adminis-
20 trator”; and

21 (C) by adding at the end the following:

22 “(3) CONSULTATION FOR DRAFT REGULA-
23 TIONS.—In addition to the meetings required under
24 paragraph (2), the Administrator shall consult and
25 meet with the Group—

1 “(A) before issuing the draft regulations to
2 carry out the program described in section 209;
3 and

4 “(B) during the public comment period re-
5 lating to those draft regulations.”; and

6 (3) in subsection (f), by striking “2007” and
7 inserting “2012”.

8 **SEC. 3012. ADMINISTRATION.**

9 Section 207 of the Food for Peace Act (7 U.S.C.
10 1726a) is amended—

11 (1) in subsection (a)(3), by striking “must be
12 met for the approval of such proposal” and inserting
13 “should be considered for a proposal in a future fis-
14 cal year”;

15 (2) in subsection (c), by striking paragraph (3);

16 (3) by striking subsection (d) and inserting the
17 following:

18 “(d) **TIMELY PROVISION OF COMMODITIES.**—The
19 Administrator, in consultation with the Secretary, shall
20 develop procedures that ensure expedited processing of
21 commodity call forwards in order to provide commodities
22 overseas in a timely manner and to the extent feasible,
23 according to planned delivery schedules.”;

24 (4) in subsection (e)(2), by striking “December
25 1” and inserting “June 1”; and

1 (5) by adding at the end the following:

2 “(f) PROGRAM OVERSIGHT.—

3 “(1) IN GENERAL.—Funds made available to
4 carry out this title may be used to pay the expenses
5 of the United States Agency for International Devel-
6 opment associated with program monitoring, evalua-
7 tion, assessments, food aid data collection, and food
8 aid information management and commodity report-
9 ing systems.

10 “(2) CONTRACT AUTHORITY.—

11 “(A) IN GENERAL.—Subject to subpara-
12 graphs (B) and (C) and notwithstanding any
13 other provision of law, in carrying out adminis-
14 trative and management activities related to the
15 implementation of programs under this title,
16 the Administrator may contract with 1 or more
17 individuals for personal service to be performed
18 in recipient countries or neighboring countries.

19 “(B) PROHIBITION.—Individuals con-
20 tracting with the Administrator under subpara-
21 graph (A) shall not be considered to be employ-
22 ees of the United States Government for the
23 purpose of any law administered by the Office
24 of Personnel Management.

1 “(C) PERSONAL SERVICE.—Subparagraph

2 (A) does not limit the ability of the Adminis-
3 trator to contract with individuals for personal
4 service under section 202(a).

5 “(g) INDIRECT SUPPORT COSTS TO THE WORLD
6 FOOD PROGRAM OF THE UNITED NATIONS.—

7 “(1) IN GENERAL.—Notwithstanding any other
8 provision of law, in providing assistance under this
9 title, the Administrator may make contributions to
10 the World Food Program of the United Nations to
11 the extent that the contributions are made in ac-
12 cordance with the rules and regulations of that pro-
13 gram for indirect cost rates.

14 “(2) REPORT.—The Administrator shall submit
15 the Committees on Agriculture and Foreign Affairs
16 of the House of Representatives and the Committee
17 on Agriculture, Nutrition, and Forestry of the Sen-
18 ate an annual report on the level of the contribution
19 and the reasons for the level.

20 “(h) INDIRECT SUPPORT COSTS TO COOPERATING
21 SPONSORS.—Notwithstanding any other provision of law,
22 the Administrator may pay to a private voluntary organi-
23 zation or cooperative indirect costs associated with any
24 funds received or generated for programs, costs, or activi-
25 ties under this title, on the condition that the indirect

1 costs are consistent with Office of Management and Budg-
2 et cost principles.

3 “(i) PROJECT REPORTING.—

4 “(1) IN GENERAL.—In submitting project re-
5 ports to the Administrator, a private voluntary orga-
6 nization or cooperative shall provide a copy of the
7 report in such form as is necessary for the report to
8 be displayed for public use on the website of the
9 United States Agency for International Develop-
10 ment.

11 “(2) CONFIDENTIAL INFORMATION.—An orga-
12 nization or cooperative described in paragraph (1)
13 may omit any confidential information from the copy
14 of the report submitted for public display under that
15 paragraph.”.

16 **SEC. 3013. ASSISTANCE FOR STOCKPILING AND RAPID**
17 **TRANSPORTATION, DELIVERY, AND DIS-**
18 **TRIBUTION OF SHELF-STABLE PRE-**
19 **PACKAGED FOODS.**

20 Section 208(f) of the Food for Peace Act (7 U.S.C.
21 1726b(f)) is amended—

22 (1) by striking “\$3,000,000” and inserting
23 “\$8,000,000”; and

24 (2) by striking “2007” and inserting “2012”.

1 **SEC. 3014. PILOT PROGRAM FOR LOCAL PURCHASE.**

2 Title II of the Food for Peace Act (7 U.S.C. 1721
3 et seq.) is amended by adding at the end the following:

4 **“SEC. 209. PILOT PROGRAM FOR LOCAL PURCHASE.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) ELIGIBLE COMMODITY.—Notwithstanding
7 section 402(2), the term ‘eligible commodity’ means
8 an agricultural commodity, or the product of an ag-
9 ricultural commodity, that is produced in—

10 “(A) the recipient country;

11 “(B) a low-income, developing country
12 near the recipient country; or

13 “(C) Africa.

14 “(2) ELIGIBLE ORGANIZATION.—The term ‘eli-
15 gible organization’ means—

16 “(A) an organization that is—

17 “(i) described in section 202(d); and

18 “(ii) subject to guidelines promulgated
19 to carry out this section, including United
20 States audit requirements that are applica-
21 ble to non-governmental organizations; or

22 “(B) an intergovernmental organization, if
23 the organization agrees to be subject to all re-
24 quirements of this section, including any regula-
25 tions promulgated or guidelines issued by the
26 Administrator to carry out this section.

1 “(3) PILOT PROGRAM.—The term ‘pilot pro-
2 gram’ means the pilot program established under
3 subsection (b).

4 “(b) ESTABLISHMENT.—Notwithstanding section
5 407(c)(1)(A), the Administrator, in consultation with the
6 Secretary, shall establish a field-based pilot program for
7 local and regional purchases of eligible commodities in ac-
8 cordance with this section.

9 “(c) PURPOSES.—Eligible commodities under the
10 pilot program shall be used solely—

11 “(1) to address severe food shortages caused by
12 sudden events, including—

13 “(A) earthquakes, floods, and other un-
14 foreseen crises; or

15 “(B) human-made crises, such as conflicts;

16 “(2) to prevent or anticipate increasing food
17 scarcity as the result of slow-onset events, such as
18 drought, crop failures, pests, economic shocks, and
19 diseases that result in an erosion of the capacity of
20 communities and vulnerable populations to meet
21 food needs;

22 “(3) to address recovery, resettlement, and re-
23 construction following 1 or more disasters or emer-
24 gencies described in paragraph (1) or (2); and

1 “(4) to protect and improve livelihoods and food
2 security, provide safety nets for food insecure or un-
3 dernourished populations, and encourage participa-
4 tion in education and other productive activities.

5 “(d) PROCUREMENT.—Subject to subsections (a),
6 (b), (f), and (h) of section 403, eligible commodities under
7 the pilot program shall for emergency situations be pro-
8 cured through the most effective 1 or more approaches
9 or methodologies that are likely to expedite the provision
10 of food aid to affected populations.

11 “(e) REVIEW OF PRIOR LOCAL CASH PURCHASE EX-
12 PERIENCE.—

13 “(1) IN GENERAL.—Not later than 30 days
14 after the date of enactment of this section, the Ad-
15 ministrator shall initiate the process to commission
16 an external review of local cash purchase projects
17 conducted before the date of enactment of this sec-
18 tion by other donor countries, private voluntary or-
19 ganizations, and the World Food Program of the
20 United Nations.

21 “(2) USE OF REVIEW.—The Administrator
22 shall use the results of the review to develop—

23 “(A) proposed guidelines under subsection
24 (j); and

1 “(B) requests for applications under sub-
2 section (f).

3 “(3) REPORT.—Not later than 270 days after
4 the date of enactment of this section, the Adminis-
5 trator shall submit to the Committees on Agriculture
6 and Foreign Affairs of the House of Representatives
7 and the Committee on Agriculture, Nutrition, and
8 Forestry of the Senate a report containing the re-
9 sults of the review.

10 “(f) GRANTS TO ELIGIBLE ORGANIZATIONS.—

11 “(1) IN GENERAL.—After the promulgation of
12 final guidelines under subsection (j), the Adminis-
13 trator may seek applications from and provide
14 grants to eligible organizations to carry out the pilot
15 program.

16 “(2) COMPLETION REQUIREMENT.—As a condi-
17 tion of receiving a grant under the pilot program, an
18 eligible organization shall agree—

19 “(A) to complete all projects funded
20 through the grant not later than September 30,
21 2011; and

22 “(B) to provide information about the re-
23 sults of the project in accordance with sub-
24 section (i).

1 “(3) OTHER REQUIREMENTS.—Other require-
2 ments for submission of proposals for consideration
3 under this title shall apply to the submission of an
4 application for a grant under this section.

5 “(g) PROJECT DIVERSITY.—In selecting projects to
6 fund under the pilot program, the Administrator shall se-
7 lect a diversity of projects, including—

8 “(1) at least 1 project for each of the situations
9 described in subsection (c);

10 “(2) at least 1 project carried out jointly with
11 a project using agricultural commodities produced in
12 the United States under this title;

13 “(3) at least 1 project carried out jointly with
14 a project funded through grassroots efforts by agri-
15 cultural producers through eligible United States or-
16 ganizations;

17 “(4) projects in both food surplus and food def-
18 icit regions, using regional procurement for food def-
19 icit regions; and

20 “(5) projects in diverse geographical regions,
21 with most, but not all, projects located in Africa.

22 “(h) INFORMATION REQUIRED IN APPLICATIONS.—
23 In submitting an application under this section, an eligible
24 organization shall—

25 “(1) request funding for up to 3 years; and

1 “(2) include in the application—

2 “(A) a description of the target population
3 through a needs assessment and sufficient in-
4 formation to demonstrate that the situation is
5 a situation described in subsection (c);

6 “(B) an assurance that the local or re-
7 gional procurement—

8 “(i) is likely to expedite the provision
9 of food aid to the affected population; and

10 “(ii) would meet the requirements of
11 subsection (d);

12 “(C) a description of—

13 “(i) the quantities and types of eligi-
14 ble commodities that would be procured;

15 “(ii) the rationale for selecting those
16 eligible commodities; and

17 “(iii) how the eligible commodities
18 could be procured and delivered in a timely
19 manner;

20 “(D) an analysis of the potential impact of
21 the purchase of eligible commodities on the pro-
22 duction, pricing, and marketing of the same
23 and similar agricultural commodities in the
24 country and localities in which the purchase will
25 take place;

1 “(E) a description of food quality and safe-
2 ty assurance measures; and

3 “(F) a monitoring and evaluation plan that
4 ensures collection of sufficient data—

5 “(i) to determine the full cost of pro-
6 curement, delivery, and administration;

7 “(ii) to report on the agricultural pro-
8 duction, marketing, and price impact of
9 the local or regional purchases, including
10 the impact on low-income consumers; and

11 “(iii) to provide sufficient information
12 to support the completion of the report de-
13 scribed in subsection (i).

14 “(i) INDEPENDENT EVALUATION AND REPORT.—

15 “(1) IN GENERAL.—The Administrator shall—

16 “(A) arrange for an independent evalua-
17 tion of the pilot program; and

18 “(B) provide access to all records and re-
19 ports for the completion of the evaluation.

20 “(2) REPORT.—Not later than 4 years after the
21 date of enactment of this section, the Administrator
22 shall submit to the Committees on Agriculture and
23 Foreign Affairs of the House of Representatives and
24 the Committee on Agriculture, Nutrition, and For-
25 estry of the Senate a report that—

1 “(A) includes the analysis and findings of
2 the independent evaluation;

3 “(B) assesses whether the requirements of
4 this section have been met;

5 “(C) describes for each of the relevant
6 markets in which the commodities were pur-
7 chased—

8 “(i) prevailing and historic supply, de-
9 mand, and price movements;

10 “(ii) impact on producer and con-
11 sumer prices;

12 “(iii) government market interferences
13 and other donor activities that may have
14 affected the supply and demand in the
15 area in which the local or regional pur-
16 chase took place; and

17 “(iv) the quantities and types of eligi-
18 ble commodities procured in each market,
19 the time frame for procurement, and the
20 complete costs of the procurement (includ-
21 ing procurement, storage, handling, trans-
22 portation, and administrative costs);

23 “(D) assesses the impact of different meth-
24 odologies and approaches on local and regional
25 agricultural producers (including large and

1 small producers), markets, low-income con-
2 sumers, and program recipients;

3 “(E) assesses the time elapsed from initi-
4 ation of the procurement process to delivery;

5 “(F) compares different methodologies
6 used in terms of—

7 “(i) the benefits to local agriculture;

8 “(ii) the impact on markets and con-
9 sumers;

10 “(iii) the time for procurement and
11 delivery;

12 “(iv) quality and safety assurances;
13 and

14 “(v) implementation costs; and

15 “(G) to the extent adequate information is
16 available, includes a comparison of the different
17 methodologies used by other donors to make
18 local and regional purchases, including pur-
19 chases conducted through the World Food Pro-
20 gram of the United Nations.

21 “(j) GUIDELINES.—Prior to approving projects or the
22 procurement of eligible commodities under this section,
23 not later than 1 year after the date of enactment of this
24 section, the Administrator shall issue guidelines to carry
25 out this section.

1 “(k) AUTHORIZATION OF APPROPRIATIONS.—

2 “(1) IN GENERAL.—Subject to paragraph (2),
3 for each of fiscal years 2008 through 2011, the Ad-
4 ministrator may use to carry out this section not
5 more than \$25,000,000 of funds made available to
6 carry out this title, to remain available until ex-
7 pended.

8 “(2) LIMITATION.—No funds may be made
9 available to carry out the pilot program unless the
10 minimum tonnage requirements of section 204(a)
11 are met.”.

12 **SEC. 3015. GENERAL AUTHORITIES AND REQUIREMENTS.**

13 (a) IN GENERAL.—Section 401 of the Food for Peace
14 Act (7 U.S.C. 1731) is amended—

15 (1) by striking subsection (a);

16 (2) redesignating subsections (b) and (c) as
17 subsections (a) and (b), respectively; and

18 (3) in subsection (b) (as so redesignated), by
19 striking “(b)(1)” and inserting “(a)(1)”.

20 (b) CONFORMING AMENDMENTS.—

21 (1) Section 406(a) of the Food for Peace Act
22 (7 U.S.C. 1736(a)) is amended by striking “(that
23 have been determined to be available under section
24 401(a))”.

1 (2) Subsection (e)(1) of the Food for Progress
2 Act of 1985 (7 U.S.C. 1736o(e)(1)) is amended by
3 striking “determined to be available under section
4 401 of the Food for Peace Act”.

5 **SEC. 3016. USE OF COMMODITY CREDIT CORPORATION.**

6 Section 406(b)(2) of the Food for Peace Act (7
7 U.S.C. 1736(b)(2)) is amended by inserting “, including
8 the costs of carrying out section 415” before the semi-
9 colon.

10 **SEC. 3017. ADMINISTRATIVE PROVISIONS.**

11 Section 407 of the Food for Peace Act (7 U.S.C.
12 1736a) is amended—

13 (1) in subsection (c)(4)—

14 (A) by striking “2007” and inserting
15 “2012”;

16 (B) by striking “\$2,000,000” and insert-
17 ing “\$4,000,000”; and

18 (C) by adding at the end the following:

19 “(5) NONEMERGENCY OR MULTIYEAR AGREE-
20 MENTS.—Annual resource requests for ongoing non-
21 emergency or multiyear agreements under title II
22 shall be finalized not later than October 1 of the fis-
23 cal year in which the agricultural commodities will
24 be shipped under the agreement.”; and

25 (2) in subsection (f)—

1 (A) in paragraph (2)—

2 (i) in subparagraph (B), by inserting
3 “, and the amount of funds, tonnage levels,
4 and types of activities for nonemergency
5 programs under title II” before the semi-
6 colon;

7 (ii) in subparagraph (C), by inserting
8 “, and a general description of the projects
9 and activities implemented” before the
10 semicolon; and

11 (iii) in subparagraph (D), by striking
12 “achieving food security” and inserting
13 “reducing food insecurity”; and

14 (B) in paragraph (3)—

15 (i) by striking “shall submit” and in-
16 serting the following: “shall—
17 “(A) submit”;

18 (ii) by striking “January 15” and in-
19 serting “April 1”; and

20 (iii) by striking “of the Senate”. and
21 inserting the following: “of the Senate; and

22 “(B) make the reports available to the
23 public by electronic and other means.”.

1 **SEC. 3018. EXPIRATION DATE.**

2 Section 408 of the Food for Peace Act (7 U.S.C.
3 1736b) is amended by striking “2007” and inserting
4 “2012”.

5 **SEC. 3019. AUTHORIZATION OF APPROPRIATIONS.**

6 Section 412 of the Food for Peace Act (7 U.S.C.
7 1736f) is amended by striking subsection (b) and inserting
8 the following:

9 “(b) MINIMUM LEVEL OF NONEMERGENCY FOOD
10 ASSISTANCE.—For each of fiscal years 2008 through
11 2012, of the amounts made available to carry out emer-
12 gency and nonemergency food assistance programs under
13 title II, not less than \$600,000,000 for each of those fiscal
14 years shall be obligated and expended for nonemergency
15 food assistance programs under title II.”.

16 **SEC. 3020. MICRONUTRIENT FORTIFICATION PROGRAMS.**

17 Section 415 of the Food for Peace Act (7 U.S.C.
18 1736g–2) is amended—

19 (1) in subsection (a)—

20 (A) in paragraph (1), by striking “Not
21 later than September 30, 2003, the Adminis-
22 trator, in consultation with the Secretary” and
23 inserting “Not later than September 30, 2008,
24 the Secretary, in consultation with the Adminis-
25 trator”; and

26 (B) in paragraph (2)—

1 (i) in subparagraph (A), by adding
2 “and” after the semicolon at the end; and

3 (ii) by striking subparagraphs (B) and
4 (C) and inserting the following:

5 “(B) assess and apply technologies and
6 systems to improve and ensure the quality, shelf
7 life, bioavailability, and safety of fortified food
8 aid agricultural commodities, and products of
9 those agricultural commodities, that are pro-
10 vided to developing countries, using rec-
11 ommendations included in the report entitled
12 ‘Micronutrient Compliance Review of Fortified
13 Public Law 480 Commodities’, published in Oc-
14 tober 2001, with implementation by an inde-
15 pendent entity with proven impartial experience
16 and expertise in food aid commodity quality en-
17 hancements.”;

18 (2) by striking subsection (b) and redesignating
19 subsections (c) and (d) as subsections (b) and (c),
20 respectively; and

21 (3) in subsection (c) (as redesignated by para-
22 graph (2)), by striking “2007” and inserting “2012”.

23 **SEC. 3021. GERMPLASM CONSERVATION.**

24 Title IV of the Food for Peace Act (7 U.S.C. 1731
25 et seq.) is amended by adding at the end the following:

1 **“SEC. 417. GERMPLASM CONSERVATION.**

2 “(a) CONTRIBUTION.—The Administrator of the
3 United States Agency for International Development shall
4 contribute funds to endow the Global Crop Diversity Trust
5 (referred to in this section as the ‘Trust’) to assist in the
6 conservation of genetic diversity in food crops through the
7 collection and storage of the germplasm of food crops in
8 a manner that provides for—

9 “(1) the maintenance and storage of seed col-
10 lections;

11 “(2) the documentation and cataloguing of the
12 genetics and characteristics of conserved seeds to en-
13 sure efficient reference for researchers, plant breed-
14 ers, and the public;

15 “(3) building the capacity of seed collection in
16 developing countries;

17 “(4) making information regarding crop genetic
18 data publicly available for researchers, plant breed-
19 ers, and the public (including through the provision
20 of an accessible Internet website);

21 “(5) the operation and maintenance of a back-
22 up facility in which are stored duplicate samples of
23 seeds, in the case of natural or man-made disasters;
24 and

25 “(6) oversight designed to ensure international
26 coordination of those actions and efficient, public ac-

1 cessibility to that diversity through a cost-effective
2 system.

3 “(b) UNITED STATES CONTRIBUTION LIMIT.—The
4 aggregate contributions of funds of the Federal Govern-
5 ment provided to the Trust shall not exceed 25 percent
6 of the total of the funds contributed to the Trust from
7 all sources.

8 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
9 is authorized to be appropriated to carry out this section
10 \$60,000,000 for the period of fiscal years 2008 through
11 2012.”.

12 **SEC. 3022. JOHN OGWONSKI AND DOUG BEREUTER FARM-**
13 **ER-TO-FARMER PROGRAM.**

14 Section 501 of the Food for Peace Act (7 U.S.C.
15 1737) is amended by striking “2007” each place it ap-
16 pears and inserting “2012”.

17 **Subtitle B—Agricultural Trade Act**
18 **of 1978 and Related Statutes**

19 **SEC. 3101. NONGOVERNMENTAL ORGANIZATION PARTICI-**
20 **PATION IN THE RESOLUTION OF TRADE DIS-**
21 **PUTES.**

22 Section 104 of the Agricultural Trade Act of 1978
23 (7 U.S.C. 5604) is amended—

24 (1) by striking “The Secretary shall” and in-
25 serting the following:

1 “(a) IN GENERAL.—The Secretary shall”; and

2 (2) by adding at the end the following:

3 “(b) NONGOVERNMENTAL ORGANIZATION PARTICI-
4 PATION IN THE RESOLUTION OF TRADE DISPUTES.—The
5 Secretary shall permit United States nongovernmental or-
6 ganizations to participate as part of the United States del-
7 egation attending formal sessions of dispute resolution
8 panels involving United States agriculture under the aus-
9 pices of the World Trade Organization if—

10 “(1) the 1 or more other members of the World
11 Trade Organization involved in the dispute are ex-
12 pected to include private sector representatives in
13 the delegations of the members to the sessions;

14 “(2) the United States nongovernmental organi-
15 zation has submitted public comments through the
16 Federal Register that support the position of the
17 United States Government in the case; and

18 “(3) the United States nongovernmental organi-
19 zation will provide for representation at the session
20 a cleared adviser who is a member of the agricul-
21 tural policy advisory committee or an agricultural
22 technical advisory committee established under the
23 Federal Advisory Committee Act (5 U.S.C. App.).”.

1 **SEC. 3102. EXPORT CREDIT GUARANTEE PROGRAM.**

2 (a) REPEAL OF SUPPLIER CREDIT GUARANTEE PRO-
3 GRAM AND INTERMEDIATE EXPORT CREDIT GUARANTEE
4 PROGRAM.—Section 202 of the Agricultural Trade Act of
5 1978 (7 U.S.C. 5622) is amended—

6 (1) in subsection (a)—

7 (A) in paragraph (1), by striking “The
8 Commodity” and inserting “Subject to para-
9 graph (2), the Commodity”; and

10 (B) by striking paragraphs (2) and (3) and
11 inserting the following:

12 “(2) TENURE.—Beginning with the 2013 fiscal
13 year, credit terms described in paragraph (1) may
14 not exceed a 180-day period.”;

15 (2) by striking subsections (b) and (c);

16 (3) by redesignating subsections (d) through (l)
17 as subsections (b) through (j), respectively; and

18 (4) by adding at the end the following:

19 “(k) ADMINISTRATION.—

20 “(1) DEFINITION OF LONG TERM.—In this sub-
21 section, the term ‘long term’ means a period of 10
22 or more years.

23 “(2) GUARANTEES.—In administering the ex-
24 port credit guarantees authorized under this section,
25 the Secretary shall—

1 “(A) maximize the export sales of agricul-
2 tural commodities;

3 “(B) maximize the export credit guaran-
4 tees that are made available and used during
5 the course of a fiscal year;

“(C) develop an approach to risk evaluation that facilitates accurate country risk designations and timely adjustments to the designations (on an ongoing basis) in response to material changes in country risk conditions, with ongoing opportunity for input and evaluation from the private sector;

“(D) adjust risk-based guarantees as necessary to ensure program effectiveness and United States competitiveness; and

16 “(E) work with industry to ensure that
17 risk-based fees associated with the guarantees
18 cover, but do not exceed, the operating costs
19 and losses over the long term.”.

20 (b) CONFORMING AMENDMENTS.—The Agricultural
21 Trade Act of 1978 is amended—

22 (1) in section 202 (7 U.S.C. 5622)—

(A) in subsection (b)(4) (as redesignated
by subsection (a)(3)), by striking “, consistent
with the provisions of subsection (c)”;

1 (B) in subsection (d) (as redesignated by
2 subsection (a)(3))—

3 (i) by striking “(1)” and all that fol-
4 lows through “The Commodity” and in-
5 serting “The Commodity”; and

6 (ii) by striking paragraph (2); and

7 (C) in subsection (g)(2) (as redesignated
8 by subsection (a)(3)), by striking “subsections
9 (a) and (b)” and inserting “subsection (a)”;
10 and

11 (2) in section 211, by striking subsection (b)
12 and inserting the following:

13 “(b) EXPORT CREDIT GUARANTEE PROGRAMS.—The
14 Commodity Credit Corporation shall make available for
15 each of fiscal years 1996 through 2012 not less than
16 \$5,500,000,000 in credit guarantees under section
17 202(a).”.

18 **SEC. 3103. MARKET ACCESS PROGRAM.**

19 (a) ORGANIC COMMODITIES.—Section 203(a) of the
20 Agricultural Trade Act of 1978 (7 U.S.C. 5623(a)) is
21 amended by inserting after “agricultural commodities” the
22 following: “(including commodities that are organically
23 produced (as defined in section 2103 of the Organic Foods
24 Production Act of 1990 (7 U.S.C. 6502)))”.

1 (b) FUNDING.—Section 211(c)(1)(A) of the Agricul-
2 tural Trade Act of 1978 (7 U.S.C. 5641(c)(1)(A)) is
3 amended by striking “, and \$200,000,000 for each of fis-
4 cal years 2006 and 2007” and inserting “\$200,000,000
5 for each of fiscal years 2006 and 2007, \$210,000,000 for
6 fiscal year 2008, \$220,000,000 for fiscal year 2009,
7 \$230,000,000 for fiscal year 2010, \$240,000,000 for fis-
8 cal year 2011, and \$200,000,000 for fiscal year 2012 and
9 each subsequent fiscal year”.

10 **SEC. 3104. EXPORT ENHANCEMENT PROGRAM.**

11 (a) IN GENERAL.—Section 301 of the Agricultural
12 Trade Act of 1978 (7 U.S.C. 5651) is repealed.

13 (b) CONFORMING AMENDMENTS.—The Agricultural
14 Trade Act of 1978 is amended—

15 (1) in title III, by striking the title heading and
16 inserting the following:

17 **“TITLE III—BARRIERS TO**
18 **EXPORTS”;**

19 (2) by redesignating section 302 as section 301;

20 (3) by striking section 303;

21 (4) in section 401 (7 U.S.C. 5661)—

22 (A) in subsection (a), by striking “section
23 201, 202, or 301” and inserting “section 201
24 or 202”; and

1 (B) in subsection (b), by striking “sections
2 201, 202, and 301” and inserting “sections 201
3 and 202”; and
4 (5) in section 402(a)(1) (7 U.S.C. 5662(a)(1)),
5 by striking “sections 201, 202, 203, and 301” and
6 inserting “sections 201, 202, and 203”.

7 **SEC. 3105. VOLUNTARY CERTIFICATION OF CHILD LABOR**
8 **STATUS OF AGRICULTURAL IMPORTS.**

9 Section 414 of the Agricultural Trade Act of 1978
10 (7 U.S.C. 5674) is amended by adding at the end the fol-
11 lowing:

12 “(d) REDUCING CHILD LABOR AND FORCED
13 LABOR.—

14 “(1) DEFINITIONS.—In this subsection:

15 “(A) CHILD LABOR.—The term ‘child
16 labor’ means the worst forms of child labor as
17 defined in International Labor Convention 182,
18 the Convention Concerning the Prohibition and
19 Immediate Action for the Elimination of the
20 Worst Forms of Child Labor, done at Geneva
21 on June 17, 1999.

22 “(B) FORCED LABOR.—The term ‘forced
23 labor’ means all work or service—

24 “(i) that is exacted from any indi-
25 vidual under menace of any penalty for

1 non-performance of the work or service,
2 and for which the individual does not offer
3 himself or herself voluntarily, by coercion,
4 debt bondage, involuntary servitude (as
5 those terms are defined in section 103 of
6 the Trafficking Victims Protection Act of
7 2000 (22 U.S.C. 7102)); and

8 “(ii) by 1 or more individuals who, at
9 the time of production, were being sub-
10 jected to a severe form of trafficking in
11 persons (as that term is defined in that
12 section).

13 “(2) DEVELOPMENT OF STANDARD SET OF
14 PRACTICES.—

15 “(A) IN GENERAL.—The Secretary, in co-
16 ordination with the Secretary of Labor, shall
17 develop a standard set of practices for the pro-
18 duction of agricultural commodities that are im-
19 ported, sold, or marketed in the United States
20 in order to reduce the likelihood that the agri-
21 cultural commodities are produced with the use
22 of forced labor or child labor.

23 “(B) REQUIREMENT.—The standard set of
24 practices shall be developed in accordance with
25 the requirements of the Trafficking Victims

1 Protection Act of 2000 (22 U.S.C. 7101 et
2 seq.).

3 “(3) REQUIREMENTS.—Not later than 3 years
4 after the date of enactment of this subsection, the
5 Secretary shall, with respect to the standard set of
6 practices developed under paragraph (2), promulgate
7 proposed regulations that shall, at a minimum, es-
8 tablish a voluntary certification program to enforce
9 this subsection by—

10 “(A) requiring agricultural commodity
11 traceability and inspection at all stages of the
12 supply chain;

13 “(B) allowing for multistakeholder partici-
14 pation in the certification process;

15 “(C) providing for annual onsite inspection
16 by a certifying agent, who shall be certified in
17 accordance with the International Organization
18 for Standardization Guide 65, of each affected
19 worksite and handling operation;

20 “(D) incorporating a comprehensive con-
21 flict of interest policy for certifying agents, in
22 accordance with section 2116(h) of the Organic
23 Foods Production Act of 1990 (7 U.S.C.
24 6515(h)); and

1 “(E) providing an anonymous grievance
2 procedure that—

3 “(i) is accessible by third parties to
4 allow for the identification of new or con-
5 tinuing violations of the regulations; and

6 “(ii) provides protections for whistle-
7 blowers.

8 “(4) REPORTING REQUIREMENT.—Not later
9 than 180 days after the date of enactment of this
10 subsection, and annually thereafter, the Secretary
11 shall submit to the Committee on Agriculture of the
12 House of Representatives and the Committee on Ag-
13 riculture, Nutrition, and Forestry of the Senate, a
14 report on the development and implementation of
15 the standard set of practices under this subsection.”.

16 **SEC. 3106. FOREIGN MARKET DEVELOPMENT COOPERATOR**
17 **PROGRAM.**

18 Section 703(a) of the Agricultural Trade Act of 1978
19 (7 U.S.C. 5723(a)) is amended by striking “amount of
20 \$34,500,000 for each of fiscal years 2002 through 2007”
21 and inserting “amount of—

22 “(1) \$39,500,000 for each of fiscal years 2008
23 and 2009;

24 “(2) \$44,500,000 for fiscal year 2010; and

1 “(3) \$34,500,000 for fiscal year 2011 and each
2 subsequent fiscal year.”.

3 **SEC. 3107. FOOD FOR PROGRESS ACT OF 1985.**

4 The Food for Progress Act of 1985 (7 U.S.C. 1736o)
5 is amended—

6 (1) by striking “2007” each place it appears
7 and inserting “2012”;

8 (2) in subsection (b)(5)—

9 (A) by striking subparagraphs (A), (B),
10 and (F);

11 (B) in subparagraph (D), by inserting
12 “and” after the semicolon;

13 (C) in subparagraph (E), by striking “;
14 and” and inserting a period; and

15 (D) by redesignating subparagraphs (C),
16 (D), and (E) as subparagraphs (A), (B), and
17 (C), respectively; and

18 (3) in subsection (f), by striking paragraph (3)
19 and inserting the following:

20 “(3) FUNDING LIMITATIONS.—With respect to
21 eligible commodities made available under section
22 416(b) of the Agricultural Act of 1949 (42 U.S.C.
23 1431(b)), unless authorized in advance in appropria-
24 tion Acts—

1 “(A) for each of fiscal years 2008 through
2 2010, no funds of the Corporation in excess of
3 \$48,000,000 (exclusive of the cost of eligible
4 commodities) may be used to carry out this sec-
5 tion; and

6 “(B) for fiscal year 2011 and each fiscal
7 year thereafter, no funds of the Corporation in
8 excess of \$40,000,000 (exclusive of the cost of
9 eligible commodities) may be used to carry out
10 this section.”.

11 **SEC. 3108. MCGOVERN-DOLE INTERNATIONAL FOOD FOR**
12 **EDUCATION AND CHILD NUTRITION PRO-**
13 **GRAM.**

14 Section 3107 of the Farm Security and Rural Invest-
15 ment Act of 2002 (7 U.S.C. 1736o–1) is amended—

16 (1) in subsection (b), by inserting “in the De-
17 partment of Agriculture” after “establish a pro-
18 gram”;

19 (2) in subsections (c)(2)(B), (f)(1), (h), (i), and
20 (l)(1) by striking “President” each place it appears
21 and inserting “Secretary”;

22 (3) in subsection (d), by striking “The Presi-
23 dent shall designate 1 or more Federal agencies”
24 and inserting “The Secretary shall”;

1 (4) in paragraph (f)(2), by striking “imple-
2 menting agency” and inserting “Secretary”; and
3 (5) in subsection (l)(2), by striking “such
4 sums” and all that follows through “2007” and in-
5 serting “\$300,000,000 for each of fiscal years 2008
6 through 2012”.

7 **Subtitle C—Miscellaneous**

8 **SEC. 3201. BILL EMERSON HUMANITARIAN TRUST.**

9 Section 302 of the Bill Emerson Humanitarian Trust
10 Act (7 U.S.C. 1736f–1) is amended—

11 (1) in subsection (a), by striking “a trust
12 stock” and all that follows through the end of the
13 subsection and inserting the following: “a trust of
14 commodities, for use as described in subsection (c),
15 to consist of—

16 “ (1) quantities equivalent to not more than
17 4,000,000 metric tons of commodities; or

18 “ (2) any combination of funds and commodities
19 equivalent to not more than 4,000,000 metric tons
20 of commodities.”;

21 (2) in subsection (b)—

22 (A) in paragraph (1)—

23 (i) in subparagraph (B)—

1 (I) by striking “replenish” each
2 place it appears and inserting “reim-
3 burse”; and

4 (II) by striking “replenished”
5 and inserting “reimbursed”; and

6 (ii) by striking subparagraph (D) and
7 inserting the following:

8 “(D) funds made available—

9 “(i) under paragraph (2)(B);

10 “(ii) as a result of an exchange of any
11 commodity held in the trust for an equiva-
12 lent amount of funds from—

13 “(I) the Agricultural Trade De-
14 velopment and Assistance Act of 1954
15 (7 U.S.C. 1691 et seq.);

16 “(II) the McGovern-Dole Inter-
17 national Food for Education and
18 Child Nutrition Program established
19 under section 3107 of the Farm Secu-
20 rity and Rural Investment Act of
21 2002 (7 U.S.C. 1736o–1); or

22 “(III) the market, if the Sec-
23 retary determines that such a sale of
24 the commodity on the market will not
25 unduly disrupt domestic markets; and

1 “(iii) in the course of management of
2 the trust or to maximize the value of the
3 trust, in accordance with subsection
4 (d)(3).”; and
5 (B) in paragraph (2)(B)—

6 (i) in the matter preceding clause (i),
7 by striking “replenish” and inserting “re-
8 imburse”;

9 (ii) in clause (i)—

10 (I) by striking “2007” each place
11 it appears and inserting “2012”;

12 (II) by striking “(c)(2)” and in-
13 serting “(c)(1)”; and

14 (III) by striking “and” at the
15 end;

16 (iii) in clause (ii), by striking the pe-
17 riod at the end and inserting “; or”; and

18 (iv) by adding at the end the fol-
19 lowing:

20 “(iii) from funds accrued through the
21 management of the trust under subsection
22 (d).”;

23 (3) in subsection (c)—

24 (A) by striking paragraphs (1) and (2) and
25 inserting the following:

1 “(1) RELEASES FOR EMERGENCY ASSIST-
2 ANCE.—

3 “(A) DEFINITION OF EMERGENCY.—

4 “(i) IN GENERAL.—In this paragraph,
5 the term ‘emergency’ means an urgent sit-
6 uation—

7 “(I) in which there is clear evi-
8 dence that an event or series of events
9 described in clause (ii) has occurred—

10 “(aa) that causes human
11 suffering or imminently threatens
12 human lives or livelihoods; and

13 “(bb) for which a govern-
14 ment concerned has not the
15 means to remedy; or

16 “(II) created by a demonstrably
17 abnormal event or series of events
18 that produces dislocation in the lives
19 of residents of a country or region of
20 a country on an exceptional scale.

21 “(ii) EVENT OR SERIES OF EVENTS.—
22 An event or series of events referred to in
23 clause (i) includes 1 or more of—

1 “(I) a sudden calamity, such as
2 an earthquake, flood, locust infesta-
3 tion, or similar unforeseen disaster;

4 “(II) a human-made emergency
5 resulting in—

6 “(aa) a significant influx of
7 refugees;

8 “(bb) the internal displace-
9 ment of populations; or

10 “(cc) the suffering of other-
11 wise affected populations;

12 “(III) food scarcity conditions
13 caused by slow-onset events, such as
14 drought, crop failure, pest infestation,
15 and disease, that result in an erosion
16 of the ability of communities and vul-
17 nerable populations to meet food
18 needs; and

19 “(IV) severe food access or avail-
20 ability conditions resulting from sud-
21 den economic shocks, market failure,
22 or economic collapse, that result in an
23 erosion of the ability of communities
24 and vulnerable populations to meet
25 food needs.

1 “(B) RELEASES.—

2 “(i) IN GENERAL.—Any funds or com-
3 modities held in the trust may be released
4 to provide assistance under title II of the
5 Food for Peace Act (7 U.S.C. 1721 et
6 seq.)—

7 “(I) to meet emergency needs, in-
8 cluding during the period immediately
9 preceding the emergency;

10 “(II) to respond to an emer-
11 gency; or

12 “(III) for recovery and rehabilita-
13 tion after an emergency.

14 “(ii) PROCEDURE.—Subject to sub-
15 paragraph (B), a release under clause (i)
16 shall be carried out in the same manner,
17 and pursuant to the same authority as pro-
18 vided in title II of that Act.

19 “(C) INSUFFICIENCY OF OTHER FUNDS.—

20 The funds and commodities held in the trust
21 shall be made immediately available on a deter-
22 mination by the Administrator that funds avail-
23 able for emergency needs under title II of that
24 Act (7 U.S.C. 1721 et seq.) for a fiscal year are

1 insufficient to meet emergency needs during the
2 fiscal year.”; and

3 (B) by redesignating paragraphs (3)
4 through (5) as paragraphs (2) through (4), re-
5 spectively;

6 (4) in subsection (d)—

7 (A) by redesignating paragraphs (1)
8 through (3) as subparagraphs (A) through (C),
9 respectively, and indenting the subparagraphs
10 appropriately;

11 (B) by striking the subsection designation
12 and heading and all that follows through “pro-
13 vide—” and inserting the following:

14 “(d) MANAGEMENT OF TRUST.—

15 “(1) IN GENERAL.—The Secretary shall provide
16 for the management of eligible commodities and
17 funds held in the trust in a manner that is con-
18 sistent with maximizing the value of the trust, as de-
19 termined by the Secretary.

20 “(2) ELIGIBLE COMMODITIES.—The Secretary
21 shall provide—”;

22 (C) in paragraph (2) (as redesignated by
23 subparagraph (B))—

1 (i) in subparagraph (B) (as redesign-
2 nated by subparagraph (A)), by striking
3 “and” at the end;

4 (ii) in subparagraph (C) (as redesign-
5 nated by subparagraph (A)), by striking
6 the period at the end and inserting “;
7 and”; and

8 (iii) by adding at the end the fol-
9 lowing:

10 “(D) for the management of price risks as-
11 sociated with commodities held or potentially
12 held in the trust.”; and

13 (D) by adding at the end the following:

14 “(3) FUNDS.—

15 “(A) REQUIREMENT.—The Secretary shall
16 maximize the value of funds held in the trust,
17 to the maximum extent practicable.

18 “(B) RELEASES ON EMERGENCY.—If any
19 commodity is released from the trust in the
20 case of an emergency under subsection (c), the
21 Secretary shall transfer to the trust funds of
22 the Commodity Credit Corporation in an
23 amount equal to, as determined by the Sec-
24 retary, the amount of storage charges that will

1 be saved by Commodity Credit Corporation due
2 to the emergency release.

3 “(C) EXCHANGES.—If any commodity held
4 in the trust is exchanged for funds under sub-
5 section (b)(1)(D)(ii)—

6 “(i) the funds shall be held in the
7 trust until the date on which the funds are
8 released in the case of an emergency under
9 subsection (c); and

10 “(ii) the Secretary shall transfer to
11 the trust funds of the Commodity Credit
12 Corporation in an amount equal to, as de-
13 termined by the Secretary, the amount of
14 storage charges that will be saved by Com-
15modity Credit Corporation due to the ex-
16change.

17 “(D) INVESTMENT.—The Secretary—

18 “(i) may invest funds held in the trust
19 in any short-term obligation of the United
20 States or any other low-risk short-term in-
21strument or security insured by the Fed-
22eral Government in which a regulated in-
23surance company may invest under the
24laws of the District of Columbia; and

1 “(ii) shall not invest any funds held in
2 the trust in real estate.”;

3 (5) in subsection (f)(2)(A), by striking “replenish”
4 and inserting “reimburse”; and

5 (6) in subsection (h)—

6 (A) in paragraph (1), by striking “replenish”
7 and inserting “reimburse”; and

8 (B) in each of paragraphs (1) and (2), by
9 striking “2007” each place it appears and inserting
10 “2012”.

11 **SEC. 3202. EMERGING MARKETS AND FACILITY GUAR-**
12 **ANTEE LOAN PROGRAM.**

13 Section 1542 of the Food, Agriculture, Conservation,
14 and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law
15 101–624) is amended—

16 (1) in subsection (a), by striking “2007” and
17 inserting “2012”;

18 (2) in subsection (b)—

19 (A) in the first sentence, by redesignating
20 paragraphs (1) and (2) as subparagraphs (A)
21 and (B), respectively, and indenting appropriately;
22

23 (B) by striking “A portion” and inserting
24 the following:

25 “(1) IN GENERAL.—A portion”;

1 (C) in the second sentence, by striking
2 “The Commodity Credit Corporation” and in-
3 serting the following:

4 “(2) PRIORITY.—The Commodity Credit Cor-
5 poration”; and

6 (D) by adding at the end the following:

7 “(3) CONSTRUCTION WAIVER.—The Secretary
8 may waive any applicable requirements relating to
9 the use of United States goods in the construction
10 of a proposed facility, if the Secretary determines
11 that—

12 “(A) goods from the United States are not
13 available; or

14 “(B) the use of goods from the United
15 States is not practicable.

16 “(4) TERM OF GUARANTEE.—A facility pay-
17 ment guarantee under this subsection shall be for a
18 term that is not more than the lesser of—

19 “(A) the term of the depreciation schedule
20 of the facility assisted; or

21 “(B) 20 years.”; and

22 (3) in subsection (d)(1)(A)(i) by striking
23 “2007” and inserting “2012”.

1 **SEC. 3203. BIOTECHNOLOGY AND AGRICULTURAL TRADE**
2 **PROGRAM.**

3 Section 1543A(d) of the Food, Agriculture, Conserva-
4 tion, and Trade Act of 1990 (7 U.S.C. 5679(d)) is amend-
5 ed by striking “2007” and inserting “2012”.

6 **SEC. 3204. TECHNICAL ASSISTANCE FOR THE RESOLUTION**
7 **OF TRADE DISPUTES.**

8 (a) IN GENERAL.—The Secretary may provide moni-
9 toring, analytic support, and other technical assistance to
10 limited resource persons that are involved in trading agri-
11 cultural commodities, as determined by the Secretary, to
12 reduce trade barriers to the persons.

13 (b) AUTHORIZATION OF APPROPRIATIONS.—There
14 are authorized to be appropriated such sums as are nec-
15 essary to carry out this section.

16 **TITLE IV—NUTRITION**
17 **PROGRAMS**
18 **Subtitle A—Food and Nutrition**
19 **Program**

20 **PART I—RENAMING OF FOOD STAMP PROGRAM**

21 **SEC. 4001. RENAMING OF FOOD STAMP PROGRAM.**

22 (a) SHORT TITLE.—The first section of the Food
23 Stamp Act of 1977 (7 U.S.C. 2011 note; Public Law 88–
24 525) is amended by striking “Food Stamp Act of 1977”
25 and inserting “Food and Nutrition Act of 2007”.

1 (b) PROGRAM.—The Food and Nutrition Act of 2007
2 (7 U.S.C. 2011 et seq.) (as amended by subsection (a))
3 is amended by striking “food stamp program” each place
4 it appears and inserting “food and nutrition program”.

5 **PART II—IMPROVING PROGRAM BENEFITS**

6 **SEC. 4101. EXCLUSION OF CERTAIN MILITARY PAYMENTS**
7 **FROM INCOME.**

8 Section 5(d) of the Food and Nutrition Act of 2007
9 (7 U.S.C. 2014(d)) is amended—

10 (1) by striking “(d) Household” and inserting
11 “(d) EXCLUSIONS FROM INCOME.—Household”;

12 (2) by striking “only (1) any” and inserting
13 “only—

14 “(1) any”;

15 (3) by indenting each of paragraphs (2)
16 through (18) so as to align with the margin of para-
17 graph (1) (as amended by paragraph (1));

18 (4) by striking the comma at the end of each
19 of paragraphs (1) through (16) and inserting a
20 semicolon;

21 (5) in paragraph (3)—

22 (A) by striking “like (A) awarded” and in-
23 serting “like—

24 “(A) awarded”;

1 (B) by striking “thereof, (B) to” and in-
2 serting “thereof;

3 “(B) to”; and

4 (C) by striking “program, and (C) to” and
5 inserting “program; and

6 “(C) to”;

7 (6) in paragraph (11), by striking “)), or (B)
8 a” and inserting “)); or

9 “(B) a”;

10 (7) in paragraph (17), by striking “, and” at
11 the end and inserting a semicolon;

12 (8) in paragraph (18), by striking the period at
13 the end and inserting “; and”; and

14 (9) by adding at the end the following:

15 “(19) any additional payment under chapter 5
16 of title 37, United States Code, or otherwise des-
17 ignated by the Secretary to be appropriate for exclu-
18 sion under this paragraph, that is received by or
19 from a member of the United States Armed Forces
20 deployed to a designated combat zone, if the addi-
21 tional pay—

22 “(A) is the result of deployment to or serv-
23 ice in a combat zone; and

24 “(B) was not received immediately prior to
25 serving in a combat zone.”.

1 **SEC. 4102. STRENGTHENING THE FOOD PURCHASING**
2 **POWER OF LOW-INCOME AMERICANS.**

3 Section 5(e)(1) of the Food and Nutrition Act of
4 2007 (7 U.S.C. 2014(e)(1)) is amended—

5 (1) in subparagraph (A)(ii), by striking “not
6 less than \$134” and all that follows through the end
7 of the clause and inserting the following: “not less
8 than—

9 “(I) for fiscal year 2008, \$140,
10 \$239, \$197, and \$123, respectively;
11 and

12 “(II) for fiscal year 2009 and
13 each fiscal year thereafter, an amount
14 that is equal to the amount from the
15 previous fiscal year adjusted to the
16 nearest lower dollar increment to re-
17 flect changes for the 12-month period
18 ending on the preceding June 30 in
19 the Consumer Price Index for All
20 Urban Consumers published by the
21 Bureau of Labor Statistics of the De-
22 partment of Labor, for items other
23 than food.”;

24 (2) in subparagraph (B)(ii), by striking “not
25 less than \$269” and all that follows through the end

1 of the clause and inserting the following: “not less
2 than—

3 “(I) for fiscal year 2008, \$281;
4 and

5 “(II) for fiscal year 2009 and
6 each fiscal year thereafter, an amount
7 that is equal to the amount from the
8 previous fiscal year adjusted to the
9 nearest lower dollar increment to re-
10 flect changes for the 12-month period
11 ending on the preceding June 30 in
12 the Consumer Price Index for All
13 Urban Consumers published by the
14 Bureau of Labor Statistics of the De-
15 partment of Labor, for items other
16 than food.”; and

17 (3) by adding at the end the following:

18 “(C) REQUIREMENT.—Each adjustment
19 under subparagraphs (A)(ii)(II) and (B)(ii)(II)
20 shall be based on the unrounded amount for the
21 prior 12-month period.”.

22 **SEC. 4103. SUPPORTING WORKING FAMILIES WITH CHILD**
23 **CARE EXPENSES.**

24 Section 5(e)(3)(A) of the Food and Nutrition Act of
25 2007 (7 U.S.C. 2014(e)(3)(A)) is amended by striking “,

1 the maximum allowable level of which shall be \$200 per
2 month for each dependent child under 2 years of age and
3 \$175 per month for each other dependent,”.

4 **SEC. 4104. ENCOURAGING RETIREMENT AND EDUCATION**
5 **SAVINGS AMONG FOOD STAMP RECIPIENTS.**

6 (a) ALLOWABLE FINANCIAL RESOURCES.—Section
7 5(g) of the Food and Nutrition Act of 2007 (7 U.S.C.
8 2014(g)) is amended—

9 (1) by striking “(g)(1) The Secretary” and in-
10 serting the following:

11 “(g) ALLOWABLE FINANCIAL RESOURCES.—

12 “(1) TOTAL AMOUNT.—

13 “(A) IN GENERAL.—The Secretary”;

14 (2) in subparagraph (A) (as designated by
15 paragraph (1))—

16 (A) by striking “\$2,000” and inserting
17 “\$3,500 (as adjusted in accordance with sub-
18 paragraph (B))”; and

19 (B) by striking “\$3,000” and inserting
20 “\$4,500 (as adjusted in accordance with sub-
21 paragraph (B))”; and

22 (3) by adding at the end the following:

23 “(B) ADJUSTMENT FOR INFLATION.—

24 “(i) IN GENERAL.—Beginning on Oc-
25 tober 1, 2007, and each October 1 there-

1 after, the amounts in subparagraph (A)
2 shall be adjusted and rounded down to the
3 nearest \$250 to reflect changes for the 12-
4 month period ending the preceding June in
5 the Consumer Price Index for All Urban
6 Consumers published by the Bureau of
7 Labor Statistics of the Department of
8 Labor.

9 “(ii) REQUIREMENT.—Each adjust-
10 ment under clause (i) shall be based on the
11 unrounded amount for the prior 12-month
12 period.”.

13 (b) EXCLUSION OF RETIREMENT ACCOUNTS FROM
14 ALLOWABLE FINANCIAL RESOURCES.—

15 (1) IN GENERAL.—Section 5(g)(2)(B)(v) of the
16 Food and Nutrition Act of 2007 (7 U.S.C.
17 2014(g)(2)(B)(v)) is amended by striking “or retire-
18 ment account (including an individual account)” and
19 inserting “account”.

20 (2) MANDATORY AND DISCRETIONARY EXCLU-
21 SIONS.—Section 5(g) of the Food and Nutrition Act
22 of 2007 (7 U.S.C. 2014(g)) is amended by adding
23 at the end the following:

24 “(7) EXCLUSION OF RETIREMENT ACCOUNTS
25 FROM ALLOWABLE FINANCIAL RESOURCES.—

1 “(A) MANDATORY EXCLUSIONS.—The Sec-
2 retary shall exclude from financial resources
3 under this subsection the value of—

4 “(i) any funds in a plan, contract, or
5 account, described in sections 401(a),
6 403(a), 403(b), 408, 408A, 457(b), and
7 501(c)(18) of the Internal Revenue Code
8 of 1986 and the value of funds in a Fed-
9 eral Thrift Savings Plan account as pro-
10 vided in section 8439 of title 5, United
11 States Code; and

12 “(ii) any retirement program or ac-
13 count included in any successor or similar
14 provision that may be enacted and deter-
15 mined to be exempt from tax under the In-
16 ternal Revenue Code of 1986.

17 “(B) DISCRETIONARY EXCLUSIONS.—The
18 Secretary may exclude from financial resources
19 under this subsection the value of any other re-
20 tirement plans, contracts, or accounts (as deter-
21 mined by the Secretary).”.

22 (c) EXCLUSION OF EDUCATION ACCOUNTS FROM AL-
23 LOWABLE FINANCIAL RESOURCES.—Section 5(g) of the
24 Food and Nutrition Act of 2007 (7 U.S.C. 2014(g)) (as

1 amended by subsection (b)) is amended by adding at the
2 end the following:

3 “(8) EXCLUSION OF EDUCATION ACCOUNTS
4 FROM ALLOWABLE FINANCIAL RESOURCES.—

5 “(A) MANDATORY EXCLUSIONS.—The Sec-
6 retary shall exclude from financial resources
7 under this subsection the value of any funds in
8 a qualified tuition program described in section
9 529 of the Internal Revenue Code of 1986 or
10 in a Coverdell education savings account under
11 section 530 of that Code.

12 “(B) DISCRETIONARY EXCLUSIONS.—The
13 Secretary may exclude from financial resources
14 under this subsection the value of any other
15 education programs, contracts, or accounts (as
16 determined by the Secretary).”.

17 **SEC. 4105. FACILITATING SIMPLIFIED REPORTING.**

18 Section 6(c)(1)(A) of the Food and Nutrition Act of
19 2007 (7 U.S.C. 2015(c)(1)(A)) is amended—

20 (1) by striking “reporting by” and inserting
21 “reporting”;

22 (2) in clause (i), by inserting “for periods short-
23 er than 4 months by” before “migrant”;

24 (3) in clause (ii), by inserting “for periods
25 shorter than 4 months by” before “households”; and

1 (4) in clause (iii), by inserting “for periods
2 shorter than 1 year by” before “households”.

3 **SEC. 4106. ACCRUAL OF BENEFITS.**

4 Section 7(i) of the Food and Nutrition Act of 2007
5 (7 U.S.C. 2016(i)) is amended by adding at the end the
6 following:

7 “(12) RECOVERING ELECTRONIC BENEFITS.—

8 “(A) IN GENERAL.—A State agency shall
9 establish a procedure for recovering electronic
10 benefits from the account of a household due to
11 inactivity.

12 “(B) BENEFIT STORAGE.—A State agency
13 may store recovered electronic benefits off-line
14 in accordance with subparagraph (D), if the
15 household has not accessed the account after 6
16 months.

17 “(C) BENEFIT EXPUNGING.—A State
18 agency shall expunge benefits that have not
19 been accessed by a household after a period of
20 12 months.

21 “(D) NOTICE.—A State agency shall—

22 “(i) send notice to a household the
23 benefits of which are stored under sub-
24 paragraph (B); and

1 “(ii) not later than 48 hours after re-
2 quest by the household, make the stored
3 benefits available to the household.”.

4 **SEC. 4107. ELIGIBILITY FOR UNEMPLOYED ADULTS.**

5 (a) IN GENERAL.—Section 6(o) of the Food and Nu-
6 trition Act of 2007 (7 U.S.C. 2015(o)) is amended—

7 (1) in paragraph (2), in the matter preceding
8 subparagraph (A) by striking “3 months” and in-
9 serting “6 months”; and

10 (2) in paragraph (5), by striking subparagraph
11 (C).

12 (b) EFFECTIVE DATE.—The amendments made by
13 subsection (a) take effect on October 1, 2008.

14 **SEC. 4108. TRANSITIONAL BENEFITS OPTION.**

15 Section 11(s)(1) of the Food and Nutrition Act of
16 2007 (7 U.S.C. 2020(s)(1)) is amended—

17 (1) by striking “benefits to a household”; and
18 inserting “benefits—

19 “(A) to a household”;

20 (2) by striking the period at the end and insert-
21 ing “; or”; and

22 (3) by adding at the end the following:

23 “(B) at the option of the State, to a house-
24 hold with children that ceases to receive cash

1 assistance under a State-funded public assist-
2 ance program.”.

3 **SEC. 4109. MINIMUM BENEFIT.**

4 (a) IN GENERAL.—Section 8(a) of the Food and Nu-
5 trition Act of 2007 (7 U.S.C. 2017(a)) is amended by
6 striking “\$10 per month” and inserting “10 percent of
7 the thrifty food plan for a household containing 1 mem-
8 ber”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 subsection (a) takes effect on October 1, 2008.

11 **SEC. 4110. AVAILABILITY OF COMMODITIES FOR THE EMER-**
12 **GENCY FOOD ASSISTANCE PROGRAM.**

13 (a) IN GENERAL.—Section 27(a) of the Food and
14 Nutrition Act of 2007 (7 U.S.C. 2036(a)) is amended—

15 (1) by striking “(a) PURCHASE OF COMMOD-
16 ITIES” and all that follows through “through 2007”
17 and inserting the following:

18 “(a) PURCHASE OF COMMODITIES.—

19 “(1) IN GENERAL.—Subject to paragraph (2),
20 for fiscal year 2008 and each fiscal year thereafter”;
21 and

22 (2) by adding at the end the following:

23 “(2) AMOUNTS.—In addition to the amounts
24 made available under paragraph (1), for fiscal year
25 2008 and each fiscal year thereafter, from amounts

1 made available to carry out this Act, the Secretary
2 shall use to carry out this subsection
3 \$110,000,000.”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) take effect on the date of enactment of this
6 Act.

7 **PART III—IMPROVING PROGRAM OPERATIONS**

8 **SEC. 4201. TECHNICAL CLARIFICATION REGARDING ELIGI-**
9 **BILITY.**

10 Section 6(k) of the Food and Nutrition Act of 2007
11 (7 U.S.C. 2015(k)) is amended—

12 (1) by redesignating paragraphs (1) and (2) as
13 subparagraphs (A) and (B), respectively, and indent-
14 ing appropriately;

15 (2) by striking “No member” and inserting the
16 following:

17 “(1) IN GENERAL.—No member”; and

18 (3) by adding at the end the following:

19 “(2) PROCEDURES.—The Secretary shall issue
20 consistent procedures—

21 “(A) to define the terms ‘fleeing’ and ‘ac-
22 tively seeking’ for purposes of this subsection;
23 and

24 “(B) to ensure that State agencies use
25 consistent procedures that disqualify individuals

1 whom law enforcement authorities are actively
2 seeking for the purpose of holding criminal pro-
3 ceedings against the individual.”.

4 **SEC. 4202. ISSUANCE AND USE OF PROGRAM BENEFITS.**

5 (a) IN GENERAL.—Section 7 of the Food and Nutri-
6 tion Act of 2007 (7 U.S.C. 2016) is amended—

7 (1) by striking the section designation and
8 heading and all that follows through “subsection (j))
9 shall be” and inserting the following:

10 **“SEC. 7. ISSUANCE AND USE OF PROGRAM BENEFITS.**

11 “(a) IN GENERAL.—Except as provided in subsection
12 (i), EBT cards shall be”;

13 (2) in subsection (b)—

14 (A) by striking “(b) Coupons” and insert-
15 ing the following:

16 “(b) USE.—Benefits”; and

17 (B) by striking the second proviso;

18 (3) in subsection (c)—

19 (A) by striking “(c) Coupons” and insert-
20 ing the following:

21 “(c) DESIGN.—

22 “(1) IN GENERAL.—EBT cards”;

23 (B) in the first sentence, by striking “and
24 define their denomination”; and

1 (C) by striking the second sentence and in-
2 serting the following:

3 “(2) PROHIBITION.—The name of any public
4 official shall not appear on any EBT card.”;

5 (4) by striking subsection (d);

6 (5) in subsection (e)—

7 (A) by striking “coupons” each place it ap-
8 pears and inserting “benefits”; and

9 (B) by striking “coupon issuers” each
10 place it appears and inserting “benefit issuers”;

11 (6) in subsection (f)—

12 (A) by striking “coupons” each place it ap-
13 pears and inserting “benefits”;

14 (B) by striking “coupon issuer” and insert-
15 ing “benefit issuers”;

16 (C) by striking “section 11(e)(20)” and in-
17 serting “section 11(e)(19).”; and

18 (D) by striking “and allotments”;

19 (7) by striking subsection (g) and inserting the
20 following:

21 “(g) ALTERNATIVE BENEFIT DELIVERY.—

22 “(1) IN GENERAL.—If the Secretary deter-
23 mines, in consultation with the Inspector General of
24 the Department of Agriculture, that it would im-
25 prove the integrity of the food and nutrition pro-

1 gram, the Secretary shall require a State agency to
2 issue or deliver benefits using alternative methods.

3 “(2) NO IMPOSITION OF COSTS.—The cost of
4 documents or systems that may be required by this
5 subsection may not be imposed upon a retail food
6 store participating in the food and nutrition pro-
7 gram.

8 “(3) DEVALUATION AND TERMINATION OF
9 ISSUANCE OF PAPER COUPONS.—

10 “(A) COUPON ISSUANCE.—Effective on the
11 date of enactment of the Food and Energy Se-
12 curity Act of 2007, no State shall issue any
13 coupon, stamp, certificate, or authorization card
14 to a household that receives food and nutrition
15 benefits under this Act.

16 “(B) EBT CARDS.—Effective beginning on
17 the date that is 1 year after the date of enact-
18 ment of the Food and Energy Security Act of
19 2007, only an EBT card issued under sub-
20 section (i) shall be eligible for exchange at any
21 retail food store.

22 “(C) DE-OBLIGATION OF COUPONS.—Cou-
23 pons not redeemed during the 1-year period be-
24 ginning on the date of enactment of the Food
25 and Energy Security Act of 2007 shall—

1 “(i) no longer be an obligation of the
2 Federal Government; and

3 “(ii) not be redeemable.”;

4 (8) in subsection (h)(1), by striking “coupons”
5 and inserting “benefits”;

6 (9) in subsection (j)—

7 (A) in paragraph (2)(A)(ii), by striking
8 “printing, shipping, and redeeming coupons”
9 and inserting “issuing and redeeming benefits”;
10 and

11 (B) in paragraph (5), by striking “coupon”
12 and inserting “benefit”;

13 (10) in subsection (k)—

14 (A) by striking “coupons in the form of”
15 each place it appears and inserting “program
16 benefits in the form of”;

17 (B) by striking “a coupon issued in the
18 form of” each place it appears and inserting
19 “program benefits in the form of”; and

20 (C) in subparagraph (A), by striking “sub-
21 section (i)(11)(A)” and inserting “subsection
22 (h)(11)(A)”;

23 (11) by redesignating subsections (e) through
24 (k) as subsections (d) through (j), respectively.

25 (b) CONFORMING AMENDMENTS.—

1 (1) Section 3 of the Food and Nutrition Act of
2 2007 (7 U.S.C. 2012) is amended—

3 (A) in subsection (a), by striking “cou-
4 pons” and inserting “benefits”;

5 (B) by striking subsection (b) and insert-
6 ing the following:

7 “(b) BENEFIT.—The term ‘benefit’ means the value
8 of food and nutrition assistance provided to a household
9 by means of—

10 “(1) an electronic benefit transfer under section
11 7(i); or

12 “(2) other means of providing assistance, as de-
13 termined by the Secretary.”;

14 (C) in subsection (c), in the first sentence,
15 by striking “authorization cards” and inserting
16 “benefits”;

17 (D) in subsection (d), by striking “or ac-
18 cess device” and all that follows through the
19 end of the subsection and inserting a period;

20 (E) in subsection (e)—

21 (i) by striking “(e) ‘Coupon issuer’
22 means” and inserting the following:

23 “(e) BENEFIT ISSUER.—The term ‘benefit issuer’
24 means”; and

1 (ii) by striking “coupons” and insert-
2 ing “benefits”;

3 (F) in subsection (g)(7), by striking “sub-
4 section (r)” and inserting “subsection (j)”;

5 (G) in subsection (i)(5)—

6 (i) in subparagraph (B), by striking
7 “subsection (r)” and inserting “subsection
8 (j)”; and

9 (ii) in subparagraph (D), by striking
10 “coupons” and inserting “benefits”;

11 (H) in subsection (j), by striking “(as that
12 term is defined in subsection (p))”;

13 (I) in subsection (k)—

14 (i) in paragraph (1)(A), by striking
15 “subsection (u)(1)” and inserting “sub-
16 section (r)(1)”;

17 (ii) in paragraph (2), by striking
18 “subsections (g)(3), (4), (5), (7), (8), and
19 (9) of this section” and inserting “para-
20 graphs (3), (4), (5), (7), (8), and (9) of
21 subsection (k)”;

22 (iii) in paragraph (3), by striking
23 “subsection (g)(6) of this section” and in-
24 serting “subsection (k)(6)”;

1 (J) in subsection (t), by inserting “, in-
2 cluding point of sale devices,” after “other
3 means of access”;

4 (K) in subsection (u), by striking “(as de-
5 fined in subsection (g))”; and

6 (L) by adding at the end the following:

7 “(v) EBT CARD.—The term ‘EBT card’ means an
8 electronic benefit transfer card issued under section 7(i).”;
9 and

10 (M) by redesignating subsections (a)
11 through (v) as subsections (b), (d), (f), (g), (e),
12 (h), (k), (l), (n), (o), (p), (q), (s), (t), (u), (v),
13 (c), (j), (m), (a), (r), and (i), respectively, and
14 moving so as to appear in alphabetical order.

15 (2) Section 4(a) of the Food and Nutrition Act
16 of 2007 (7 U.S.C. 2013(a)) is amended—

17 (A) by striking “coupons” each place it ap-
18 pears and inserting “benefits”; and

19 (B) by striking “Coupons issued” and in-
20 serting “benefits issued”.

21 (3) Section 5 of the Food and Nutrition Act of
22 2007 (7 U.S.C. 2014) is amended—

23 (A) in subsection (a), by striking “section
24 3(i)(4)” and inserting “section 3(n)(4)”;

1 (B) in subsection (h)(3)(B), in the second
2 sentence, by striking “section 7(i)” and insert-
3 ing “section 7(h)”; and

4 (C) in subsection (i)(2)(E), by striking “,
5 as defined in section 3(i) of this Act,”.

6 (4) Section 6 of the Food and Nutrition Act of
7 2007 (7 U.S.C. 2015) is amended—

8 (A) in subsection (b)(1)—

9 (i) in subparagraph (B), by striking
10 “coupons or authorization cards” and in-
11 serting “program benefits”; and

12 (ii) by striking “coupons” each place
13 it appears and inserting “benefits”; and

14 (B) in subsection (d)(4)(L), by striking
15 “section 11(e)(22)” and inserting “section
16 11(e)(19)”.

17 (5) Section 7(f) of the Food and Nutrition Act
18 of 2007 (7 U.S.C. 2016(f)) is amended by striking
19 “including any losses” and all that follows through
20 “section 11(e)(20),”.

21 (6) Section 8 of the Food and Nutrition Act of
22 2007 (7 U.S.C. 2017) is amended—

23 (A) in subsection (b), by striking “, wheth-
24 er through coupons, access devices, or other-
25 wise”; and

1 (B) in subsections (e)(1) and (f), by strik-
2 ing “section 3(i)(5)” each place it appears and
3 inserting “section 3(n)(5)”.

4 (7) Section 9 of the Food and Nutrition Act of
5 2007 (7 U.S.C. 2018) is amended—

6 (A) by striking “coupons” each place it ap-
7 pears and inserting “benefits”;

8 (B) in subsection (a)—

9 (i) in paragraph (1), by striking “cou-
10 pon business” and inserting “benefit trans-
11 actions”; and

12 (ii) by striking paragraph (3) and in-
13 serting the following:

14 “(3) AUTHORIZATION PERIODS.—The Secretary
15 shall establish specific time periods during which au-
16 thorization to accept and redeem benefits shall be
17 valid under the food and nutrition program.”; and

18 (C) in subsection (g), by striking “section
19 3(g)(9)” and inserting “section 3(k)(9)”.

20 (8) Section 10 of the Food and Nutrition Act
21 of 2007 (7 U.S.C. 2019) is amended—

22 (A) by striking the section designation and
23 heading and all that follows through “Regula-
24 tions” and inserting the following:

1 **“SEC. 10. REDEMPTION OF PROGRAM BENEFITS.**

2 “Regulations”;

3 (B) by striking “section 3(k)(4) of this
4 Act” and inserting “section 3(p)(4)”;

5 (C) by striking “section 7(i)” and inserting
6 “section 7(h)”;

7 (D) by striking “coupons” each place it
8 appears and inserting “benefits”.

9 (9) Section 11 of the Food and Nutrition Act
10 of 2007 (7 U.S.C. 2020) is amended—

11 (A) in subsection (d)—

12 (i) by striking “section 3(n)(1) of this
13 Act” each place it appears and inserting
14 “section 3(t)(1)”;

15 (ii) by striking “section 3(n)(2) of this
16 Act” each place it appears and inserting
17 “section 3(t)(2)”;

18 (B) in subsection (e)—

19 (i) in paragraph (8)(E), by striking
20 “paragraph (16) or (20)(B)” and inserting
21 “paragraph (15) or (18)(B)”;

22 (ii) by striking paragraphs (15) and
23 (19);

24 (iii) by redesignating paragraphs (16)
25 through (18) and (20) through (25) as

1 paragraphs (15) through (17) and (18)
2 through (23), respectively; and

3 (iv) in paragraph (17) (as so redesign-
4 nated), by striking “(described in section
5 3(n)(1) of this Act)” and inserting “de-
6 scribed in section 3(t)(1)”;

7 (C) in subsection (h), by striking “coupon
8 or coupons” and inserting “benefits”;

9 (D) by striking “coupon” each place it ap-
10 pears and inserting “benefit”;

11 (E) by striking “coupons” each place it ap-
12 pears and inserting “benefits”;

13 (F) in subsection (q), by striking “section
14 11(e)(20)(B)” and inserting “subsection
15 (e)(18)(B)”

16 (10) Section 13 of the Food and Nutrition Act
17 of 2007 (7 U.S.C. 2022) is amended by striking
18 “coupons” each place it appears and inserting “ben-
19 efits”.

20 (11) Section 15 of the Food and Nutrition Act
21 of 2007 (7 U.S.C. 2024) is amended—

22 (A) in subsection (a), by striking “cou-
23 pons” and inserting “benefits”;

24 (B) in subsection (b)(1)—

1 (i) by striking “coupons, authorization
2 cards, or access devices” each place it ap-
3 pears and inserting “benefits”;

4 (ii) by striking “coupons or authoriza-
5 tion cards” and inserting “benefits”; and

6 (iii) by striking “access device” each
7 place it appears and inserting “benefit”;

8 (C) in subsection (c), by striking “cou-
9 pons” each place it appears and inserting “ben-
10 efits”;

11 (D) in subsection (d), by striking “Cou-
12 pons” and inserting “Benefits”;

13 (E) by striking subsections (e) and (f);

14 (F) by redesignating subsections (g) and
15 (h) as subsections (e) and (f), respectively; and

16 (G) in subsection (e) (as so redesignated),
17 by striking “coupon, authorization cards or ac-
18 cess devices” and inserting “benefits”.

19 (12) Section 16(a) of the Food and Nutrition
20 Act of 2007 (7 U.S.C. 2025(a)) is amended by strik-
21 ing “coupons” each place it appears and inserting
22 “benefits”.

23 (13) Section 17 of the Food and Nutrition Act
24 of 2007 (7 U.S.C. 2026) is amended—

1 (A) in subsection (a)(2), by striking “cou-
2 pon” and inserting “benefit”;

3 (B) in subsection (b)(1)—

4 (i) in subparagraph (B)—

5 (I) in clause (iv)—

6 (aa) in subclause (I), insert-
7 ing “or otherwise providing bene-
8 fits in a form not restricted to
9 the purchase of food” after “of
10 cash”;

11 (bb) in subclause (III)(aa),
12 by striking “section 3(i)” and in-
13 serting “section 3(n)”; and

14 (cc) in subclause (VII), by
15 striking “section 7(j)” and in-
16 serting “section 7(i)”; and

17 (II) in clause (v)—

18 (aa) by striking
19 “countersigned food coupons or
20 similar”; and

21 (bb) by striking “food cou-
22 pons” and inserting “EBT
23 cards”; and

1 (ii) in subparagraph (C)(i)(I), by
2 striking “coupons” and inserting “EBT
3 cards”;

4 (C) in subsection (f), by striking “section
5 7(g)(2)” and inserting “section 7(f)(2)”; and

6 (D) in subsection (j), by striking “coupon”
7 and inserting “benefit”.

8 (14) Section 19(a)(2)(A)(ii) of the Food and
9 Nutrition Act of 2007 (7 U.S.C. 2028(a)(2)(A)(ii))
10 is amended by striking “section 3(o)(4)” and insert-
11 ing “section 3(u)(4)”.

12 (15) Section 21 of the Food and Nutrition Act
13 of 2007 (7 U.S.C. 2030) is amended—

14 (A) in subsection (b)(2)(G)(i), by striking
15 “and (19)” and inserting “(and (17))”;

16 (B) in subsection (d)(3), by striking “food
17 coupons” and inserting “EBT cards”; and

18 (C) by striking “coupons” each place it ap-
19 pears and inserting “EBT cards”.

20 (16) Section 22 of the Food and Nutrition Act
21 of 2007 (7 U.S.C. 2031) is amended—

22 (A) by striking “food coupons” each place
23 it appears and inserting “benefits”;

24 (B) by striking “coupons” each place it ap-
25 pears and inserting “benefits”; and

1 (C) in subsection (g)(1)(A), by striking
2 “coupon” and inserting “benefits”.

3 (17) Section 26(f)(3) of the Food and Nutrition
4 Act of 2007 (7 U.S.C. 2035(f)(3)) is amended—

5 (A) in subparagraph (A), by striking “sub-
6 sections (a) through (g)” and inserting “sub-
7 sections (a) through (f)”;

8 (B) in subparagraph (E), by striking
9 “(16), (18), (20), (24), and (25)” and inserting
10 “(15), (17), (18), (22), and (23)”.

11 (c) CONFORMING CROSS-REFERENCES.—

12 (1) IN GENERAL.—

13 (A) USE OF TERMS.—Each provision of
14 law described in subparagraph (B) is amended
15 (as applicable)—

16 (i) by striking “coupons” each place it
17 appears and inserting “benefits”;

18 (ii) by striking “coupon” each place it
19 appears and inserting “benefit”;

20 (iii) by striking “food coupons” each
21 place it appears and inserting “benefits”;

22 (iv) in each section heading, by strik-
23 ing “**FOOD COUPONS**” each place it ap-
24 pears and inserting “**BENEFITS**”;

1 (v) by striking “food stamp coupon”
2 each place it appears and inserting “ben-
3 efit”; and

4 (vi) by striking “food stamps” each
5 place it appears and inserting “benefits”.

6 (B) PROVISIONS OF LAW.—The provisions
7 of law referred to in subparagraph (A) are the
8 following:

9 (i) Section 2 of Public Law 103–205
10 (7 U.S.C. 2012 note; 107 Stat. 2418).

11 (ii) Section 1956(c)(7)(D) of title 18,
12 United States Code.

13 (iii) Titles II through XIX of the So-
14 cial Security Act (42 U.S.C. 401 et seq.).

15 (iv) Section 401(b)(3) of the Social
16 Security Amendments of 1972 (42 U.S.C.
17 1382e note; Public Law 92–603).

18 (v) The Robert T. Stafford Disaster
19 Relief and Emergency Assistance Act (42
20 U.S.C. 5121 et seq.).

21 (vi) Section 802(d)(2)(A)(i)(II) of the
22 Cranston-Gonzalez National Affordable
23 Housing Act (42 U.S.C.
24 8011(d)(2)(A)(i)(II)).

25 (2) DEFINITION REFERENCES.—

1 (A) Section 2 of Public Law 103–205 (7
2 U.S.C. 2012 note; 107 Stat. 2418) is amended
3 by striking “section 3(k)(1)” and inserting
4 “section 3(p)(1)”.

5 (B) Section 205 of the Food Stamp Pro-
6 gram Improvements Act of 1994 (7 U.S.C.
7 2012 note; Public Law 103–225) is amended by
8 striking “section 3(k) of such Act (as amended
9 by section 201)” and inserting “section 3(p) of
10 that Act”.

11 (C) Section 115 of the Personal Responsi-
12 bility and Work Opportunity Reconciliation Act
13 of 1996 (21 U.S.C. 862a) is amended—

14 (i) by striking “section 3(h)” each
15 place it appears and inserting “section
16 3(l)”; and

17 (ii) in subsection (e)(2), by striking
18 “section 3(m)” and inserting “section
19 3(s)”.

20 (D) Section 402(a) of the Personal Re-
21 sponsibility and Work Opportunity Reconcili-
22 ation Act of 1996 (8 U.S.C. 1612(a)) is amend-
23 ed—

1 (i) in paragraph (2)(F)(ii), by striking
2 “section 3(r)” and inserting “section 3(j)”;
3 and

4 (ii) in paragraph (3)(B), by striking
5 “section 3(h)” and inserting “section 3(l)”.

6 (E) Section 3803(c)(2)(C)(vii) of title 31,
7 United States Code, is amended by striking
8 “section 3(h)” and inserting “section 3(l)”.

9 (F) Section 303(d)(4) of the Social Secu-
10 rity Act (42 U.S.C. 503(d)(4)) is amended by
11 striking “section 3(n)(1)” and inserting “sec-
12 tion 3(t)(1)”.

13 (G) Section 404 of the Social Security Act
14 (42 U.S.C. 604) is amended by striking “sec-
15 tion 3(h)” each place it appears and inserting
16 “section 3(l)”.

17 (H) Section 531 of the Social Security Act
18 (42 U.S.C. 654) is amended by striking “sec-
19 tion 3(h)” each place it appears and inserting
20 “section 3(l)”.

21 (I) Section 802(d)(2)(A)(i)(II) of the
22 Cranston-Gonzalez National Affordable Hous-
23 ing Act (42 U.S.C. 8011(d)(2)(A)(i)(II)) is
24 amended by striking “(as defined in section
25 3(e) of such Act)”.

1 (d) REFERENCES.—Any reference in any Federal,
2 State, tribal, or local law (including regulations) to a “cou-
3 pon”, “authorization card”, or other access device pro-
4 vided under the Food and Nutrition Act of 2007 (7 U.S.C.
5 2011 et seq.) shall be considered to be a reference to a
6 “benefit” provided under that Act.

7 **SEC. 4203. CLARIFICATION OF SPLIT ISSUANCE.**

8 Section 7(h) of the Food and Nutrition Act of 2007
9 (7 U.S.C. 2016(h)) is amended by striking paragraph (2)
10 and inserting the following:

11 “(2) REQUIREMENTS.—

12 “(A) IN GENERAL.—Any procedure estab-
13 lished under paragraph (1) shall—

14 “(i) not reduce the allotment of any
15 household for any period; and

16 “(ii) ensure that no household experi-
17 ences an interval between issuances of
18 more than 40 days.

19 “(B) MULTIPLE ISSUANCES.—The proce-
20 dure may include issuing benefits to a house-
21 hold in more than 1 issuance only when a ben-
22 efit correction is necessary.”.

23 **SEC. 4204. STATE OPTION FOR TELEPHONIC SIGNATURE.**

24 Section 11(e)(2)(C) of the Food and Nutrition Act
25 of 2007 (7 U.S.C. 2020(e)(2)(C)) is amended—

1 (1) by striking “Nothing in this Act” and in-
2 serting the following:

3 “(C) ELECTRONIC AND AUTOMATED SYS-
4 TEMS.—

5 “(i) IN GENERAL.—Nothing in this
6 Act”; and

7 (2) by adding at the end the following:

8 “(ii) STATE OPTION FOR TELEPHONIC
9 SIGNATURE.—A State agency may estab-
10 lish a system by which an applicant house-
11 hold may sign an application through a re-
12 corded verbal assent over the telephone.

13 “(iii) REQUIREMENTS.—A system es-
14 tablished under clause (ii) shall—

15 “(I) record for future reference
16 the verbal assent of the household
17 member and the information to which
18 assent was given;

19 “(II) include effective safeguards
20 against impersonation, identity theft,
21 and invasions of privacy;

22 “(III) not deny or interfere with
23 the right of the household to apply in
24 writing;

1 “(IV) promptly provide to the
2 household member a written copy of
3 the completed application, with in-
4 structions for a simple procedure for
5 correcting any errors or omissions;

6 “(V) comply with paragraph
7 (1)(B);

8 “(VI) satisfy all requirements for
9 a signature on an application under
10 this Act and other laws applicable to
11 the food and nutrition program, with
12 the date on which the household mem-
13 ber provides verbal assent considered
14 as the date of application for all pur-
15 poses; and

16 “(VII) comply with such other
17 standards as the Secretary may estab-
18 lish.”.

19 **SEC. 4205. PRIVACY PROTECTIONS.**

20 Section 11(e)(8) of the Food and Nutrition Act of
21 2007 (7 U.S.C. 2020(e)(8)) is amended—

22 (1) in the matter preceding subparagraph (A)—
23 (A) by striking “limit” and inserting “pro-
24 hibit”; and

1 (B) by striking “to persons” and all that
2 follows through “State programs”;

3 (2) by redesignating subparagraphs (A) through
4 (E) as subparagraphs (B) through (F), respectively;

5 (3) by inserting before subparagraph (B) (as so
6 redesignated) the following:

7 “(A) the safeguards shall permit—

8 “(i) the disclosure of such information
9 to persons directly connected with the ad-
10 ministration or enforcement of the provi-
11 sions of this Act, regulations issued pursu-
12 ant to this Act, Federal assistance pro-
13 grams, or federally-assisted State pro-
14 grams; and

15 “(ii) the subsequent use of the infor-
16 mation by persons described in clause (i)
17 only for such administration or enforce-
18 ment;”; and

19 (4) in subparagraph (F) (as so redesignated) by
20 inserting “or subsection (u)” before the semicolon at
21 the end.

22 **SEC. 4206. STUDY ON COMPARABLE ACCESS TO FOOD AND**
23 **NUTRITION ASSISTANCE FOR PUERTO RICO.**

24 (a) IN GENERAL.—The Secretary shall carry out a
25 study of the feasibility and effects of including the Com-

1 monwealth of Puerto Rico in the definition of the term
2 “State” under section 3 of the Food and Nutrition Act
3 of 2007 (7 U.S.C. 2012), in lieu of providing block grants
4 under section 19 of that Act (7 U.S.C. 2028).

5 (b) INCLUSIONS.—The study shall include—

6 (1) an assessment of the administrative, finan-
7 cial management, and other changes that would be
8 necessary for the Commonwealth to establish a com-
9 parable food and nutrition program, including com-
10 pliance with appropriate program rules under the
11 Food and Nutrition Act of 2007 (7 U.S.C. 2011 et
12 seq.), such as—

13 (A) benefit levels under section 3(o) of that
14 Act (7 U.S.C. 3012(o));

15 (B) income eligibility standards under sec-
16 tions 5(c) and 6 of that Act (7 U.S.C. 2014(c),
17 2015); and

18 (C) deduction levels under section 5(e) of
19 that Act (7 U.S.C. 2014(e));

20 (2) an estimate of the impact on Federal and
21 Commonwealth benefit and administrative costs;

22 (3) an assessment of the impact of the program
23 on low-income Puerto Ricans, as compared to the
24 program under section 19 of that Act (7 U.S.C.
25 2028);

1 (4) such other matters as the Secretary con-
2 siders to be appropriate.

3 (c) REPORT.—Not later than 1 year after the date
4 of enactment of this Act, the Secretary shall submit to
5 the Committee on Agriculture of the House of Representa-
6 tives and the Committee on Agriculture, Nutrition, and
7 Forestry of the Senate a report that describes the results
8 of the study conducted under this section.

9 (d) FUNDING.—

10 (1) IN GENERAL.—On October 1, 2008, out of
11 any funds in the Treasury not otherwise appro-
12 priated, the Secretary of the Treasury shall transfer
13 to the Secretary to carry out this section
14 \$1,000,000, to remain available until expended.

15 (2) RECEIPT AND ACCEPTANCE.—The Sec-
16 retary shall be entitled to receive, shall accept, and
17 shall use to carry out this section the funds trans-
18 ferred under paragraph (1), without further appro-
19 priation.

20 **SEC. 4207. CIVIL RIGHTS COMPLIANCE.**

21 Section 11 of the Food and Nutrition Act of 2007
22 (7 U.S.C. 2020) is amended by striking subsection (c) and
23 inserting the following:

24 “(c) CIVIL RIGHTS COMPLIANCE.—

1 “(1) IN GENERAL.—In the certification of ap-
2 plicant households for the food and nutrition pro-
3 gram, there shall be no discrimination by reason of
4 race, sex, religious creed, national origin, or political
5 affiliation.

6 “(2) RELATION TO OTHER LAWS.—The admin-
7 istration of the program by a State agency shall be
8 consistent with the rights of households under the
9 following laws (including implementing regulations):

10 “(A) The Age Discrimination Act of 1975
11 (42 U.S.C. 6101 et seq.).

12 “(B) Section 504 of the Rehabilitation Act
13 of 1973 (29 U.S.C. 794).

14 “(C) The Americans with Disabilities Act
15 of 1990 (42 U.S.C. 12101 et seq.).

16 “(D) Title VI of the Civil Rights Act of
17 1964 (42 U.S.C. 2000d et seq.).”.

18 **SEC. 4208. EMPLOYMENT, TRAINING, AND JOB RETENTION.**

19 Section 6(d)(4) of the Food and Nutrition Act of
20 2007 (7 U.S.C. 2015(d)(4)) is amended—

21 (1) in subparagraph (B)—

22 (A) by redesignating clause (vii) as clause
23 (viii); and

24 (B) by inserting after clause (vi) the fol-
25 lowing:

1 “(vii) Programs intended to ensure
2 job retention by providing job retention
3 services, if the job retention services are
4 provided for a period of not more than 90
5 days after an individual who received em-
6 ployment and training services under this
7 paragraph gains employment.”; and

8 (2) in subparagraph (F), by adding at the end
9 the following:

10 “(iii) Any individual voluntarily elect-
11 ing to participate in a program under this
12 paragraph shall not be subject to the limi-
13 tations described in clauses (i) and (ii).”.

14 **SEC. 4209. CODIFICATION OF ACCESS RULES.**

15 Section 11(e)(1)) of the Food and Nutrition Act of
16 2007 (7 U.S.C. 2020(e)(1)) is amended—

17 (1) by striking “shall (A) at” and inserting
18 “shall—

19 “(A) at”; and

20 (2) by striking “and (B) use” and inserting
21 “and

22 “(B) comply with regulations of the Sec-
23 retary requiring the use of”.

1 **SEC. 4210. EXPANDING THE USE OF EBT CARDS AT FARM-**
2 **ERS' MARKETS.**

3 (a) IN GENERAL.—For each of fiscal years 2008
4 through 2010, the Secretary shall make grants to pay 100
5 percent of the costs of eligible entities approved by the
6 Secretary to carry out projects to expand the number of
7 farmers' markets that accept EBT cards by—

8 (1) providing equipment and training necessary
9 for farmers' markets to accept EBT cards;

10 (2) educating and providing technical assistance
11 to farmers and farmers' market operators about the
12 process and benefits of accepting EBT cards; or

13 (3) other activities considered to be appropriate
14 by the Secretary.

15 (b) LIMITATION.—A grant under this section—

16 (1) may not be made for the ongoing cost of
17 carrying out any project; and

18 (2) shall only be provided to eligible entities
19 that demonstrate a plan to continue to provide EBT
20 card access at 1 or more farmers' markets following
21 the receipt of the grant.

22 (c) ELIGIBLE ENTITIES.—To be eligible to receive a
23 grant under this section, an entity shall be—

24 (1) a State agency administering the food and
25 nutrition program established under the Food and
26 Nutrition Act of 2007 (7 U.S.C. 2011 et seq.);

1 (2) a State agency or local government; or

2 (3) a private nonprofit entity that coordinates
3 farmers' markets in a State in cooperation with a
4 State or local government.

5 (d) SELECTION OF ELIGIBLE ENTITIES.—The Sec-
6 retary—

7 (1) shall develop criteria to select eligible enti-
8 ties to receive grants under this section; and

9 (2) may give preference to any eligible entity
10 that consists of a partnership between a government
11 entity and a nongovernmental entity.

12 (e) MANDATORY FUNDING.—

13 (1) IN GENERAL.—On October 1, 2007, out of
14 any funds in the Treasury not otherwise appro-
15 priated, the Secretary of the Treasury shall transfer
16 to the Secretary of Agriculture to carry out this sec-
17 tion \$5,000,000, to remain available until expended.

18 (2) RECEIPT AND ACCEPTANCE.—The Sec-
19 retary shall be entitled to receive, shall accept, and
20 shall use to carry out this section the funds trans-
21 ferred under paragraph (1), without further appro-
22 priation.

1 **SEC. 4211. REVIEW OF MAJOR CHANGES IN PROGRAM DE-**
2 **SIGN.**

3 Section 11 of the Food and Nutrition Act of 2007
4 (7 U.S.C. 2020) is amended by striking subsection (a) and
5 inserting the following:

6 “(a) STATE RESPONSIBILITY.—

7 “(1) IN GENERAL.—The State agency of each
8 participating State shall have responsibility for certi-
9 fying applicant households and issuing EBT cards.

10 “(2) LOCAL ADMINISTRATION.—The responsi-
11 bility of the agency of the State government shall
12 not be affected by whether the program is operated
13 on a State-administered or county-administered
14 basis, as provided under section 3(t)(1).

15 “(3) RECORDS.—

16 “(A) IN GENERAL.—Each State agency
17 shall keep such records as may be necessary to
18 determine whether the program is being con-
19 ducted in compliance with this Act (including
20 regulations issued under this Act).

21 “(B) INSPECTION AND AUDIT.—Records
22 described in subparagraph (A) shall—

23 “(i) be available for inspection and
24 audit at any reasonable time;

25 “(ii) subject to subsection (e)(8), be
26 available for review in any action filed by

1 a household to enforce any provision of
2 this Act (including regulations issued
3 under this Act); and

4 “(iii) be preserved for such period of
5 not less than 3 years as may be specified
6 in regulations.

7 “(4) REVIEW OF MAJOR CHANGES IN PROGRAM
8 DESIGN.—

9 “(A) IN GENERAL.—The Secretary shall
10 develop standards for identifying major changes
11 in the operations of a State agency, including—

12 “(i) large or substantially-increased
13 numbers of low-income households that do
14 not live in reasonable proximity to an of-
15 fice performing the major functions de-
16 scribed in subsection (e);

17 “(ii) substantial increases in reliance
18 on automated systems for the performance
19 of responsibilities previously performed by
20 personnel described in subsection
21 (e)(6)(B);

22 “(iii) changes that potentially increase
23 the difficulty of reporting information
24 under subsection (e) or section 6(c); and

1 “(iv) changes that may disproportion-
2 ately increase the burdens on any of the
3 types of households described in subsection
4 (e)(2)(A).

5 “(B) NOTIFICATION.—If a State agency
6 implements a major change in operations, the
7 State agency shall—

8 “(i) notify the Secretary; and

9 “(ii) collect such information as the
10 Secretary shall require to identify and cor-
11 rect any adverse effects on program integ-
12 rity or access, including access by any of
13 the types of households described in sub-
14 section (e)(2)(A).”.

15 **SEC. 4212. PRESERVATION OF ACCESS AND PAYMENT AC-**
16 **CURACY.**

17 Section 16 of the Food and Nutrition Act of 2007
18 (7 U.S.C. 2025) is amended by striking subsection (g) and
19 inserting the following:

20 “(g) COST SHARING FOR COMPUTERIZATION.—

21 “(1) IN GENERAL.—Except as provided in para-
22 graphs (2) and (3), the Secretary is authorized to
23 pay to each State agency the amount provided under
24 subsection (a)(6) for the costs incurred by the State
25 agency in the planning, design, development, or in-

1 stallation of 1 or more automatic data processing
2 and information retrieval systems that the Secretary
3 determines—

4 “(A) would assist in meeting the require-
5 ments of this Act;

6 “(B) meet such conditions as the Secretary
7 prescribes;

8 “(C) are likely to provide more efficient
9 and effective administration of the food and nu-
10 trition program;

11 “(D) would be compatible with other sys-
12 tems used in the administration of State pro-
13 grams, including the program funded under
14 part A of title IV of the Social Security Act (42
15 U.S.C. 601 et seq.);

16 “(E) would be tested adequately before
17 and after implementation, including through
18 pilot projects in limited areas for major systems
19 changes as determined under rules promulgated
20 by the Secretary, data from which shall be thor-
21 oughly evaluated before the Secretary approves
22 the system to be implemented more broadly;
23 and

24 “(F) would be operated in accordance with
25 an adequate plan for—

1 “(i) continuous updating to reflect
2 changed policy and circumstances; and

3 “(ii) testing the effect of the system
4 on access for eligible households and on
5 payment accuracy.

6 “(2) LIMITATION.—The Secretary shall not
7 make payments to a State agency under paragraph
8 (1) to the extent that the State agency—

9 “(A) is reimbursed for the costs under any
10 other Federal program; or

11 “(B) uses the systems for purposes not
12 connected with the food and nutrition pro-
13 gram.”.

14 **SEC. 4213. NUTRITION EDUCATION.**

15 (a) AUTHORITY TO PROVIDE NUTRITION EDU-
16 CATION.—Section 4(a) of the Food and Nutrition Act of
17 2007 (7 U.S.C. 2013(a)) is amended in the first sentence
18 by inserting “and through an approved State plan, nutri-
19 tion education” after “an allotment”.

20 (b) IMPLEMENTATION.—Section 11 of the Food and
21 Nutrition Act of 2007 (7 U.S.C. 2020(f) is amended by
22 striking subsection (f) and inserting the following:

23 “(f) NUTRITION EDUCATION.—

24 “(1) IN GENERAL.—State agencies may imple-
25 ment a nutrition education program for individuals

1 eligible for program benefits that promotes healthy
2 food choices consistent with the most recent Dietary
3 Guidelines for Americans published under section
4 301 of the National Nutrition Monitoring and Re-
5 lated Research Act of 1990 (7 U.S.C. 5341).

6 “(2) DELIVERY OF NUTRITION EDUCATION.—
7 State agencies may deliver nutrition education di-
8 rectly to eligible persons or through agreements with
9 the Cooperative State Research, Education, and Ex-
10 tension Service, including through the expanded food
11 and nutrition education under section 3(d) of the
12 Act of May 8, 1914 (7 U.S.C. 343(d)), and other
13 State and community health and nutrition providers
14 and organizations.

15 “(3) NUTRITION EDUCATION STATE PLANS.—

16 “(A) IN GENERAL.—A State agency that
17 elects to provide nutrition education under this
18 subsection shall submit a nutrition education
19 State plan to the Secretary for approval.

20 “(B) REQUIREMENTS.—The plan shall—

21 “(i) identify the uses of the funding
22 for local projects; and

23 “(ii) conform to standards established
24 by the Secretary through regulations or
25 guidance.

1 “(C) REIMBURSEMENT.—State costs for
2 providing nutrition education under this sub-
3 section shall be reimbursed pursuant to section
4 16(a).

5 “(4) NOTIFICATION.—To the maximum extent
6 practicable, State agencies shall notify applicants,
7 participants, and eligible program participants of the
8 availability of nutrition education under this sub-
9 section.”.

10 **PART IV—IMPROVING PROGRAM INTEGRITY**

11 **SEC. 4301. MAJOR SYSTEMS FAILURES.**

12 (a) IN GENERAL.—Section 13(b) of the Food and
13 Nutrition Act of 2007 (7 U.S.C. 2022(b)) is amended by
14 adding at the end the following:

15 “(5) OVER ISSUANCES CAUSED BY SYSTEMIC
16 STATE ERRORS.—

17 “(A) IN GENERAL.—If the Secretary deter-
18 mines that a State agency over issued benefits
19 to a substantial number of households in a fis-
20 cal year as a result of a major systemic error
21 by the State agency, as determined by the Sec-
22 retary, the Secretary may prohibit the State
23 agency from collecting these over issuances
24 from some or all households.

25 “(B) PROCEDURES.—

1 “(i) INFORMATION REPORTING BY
2 STATES.—Every State agency shall provide
3 to the Secretary all information requested
4 by the Secretary concerning the issuance of
5 benefits to households by the State agency
6 in the applicable fiscal year.

7 “(ii) FINAL DETERMINATION.—After
8 reviewing relevant information provided by
9 a State agency, the Secretary shall make a
10 final determination—

11 “(I) whether the State agency
12 over issued benefits to a substantial
13 number of households as a result of a
14 systemic error in the applicable fiscal
15 year; and

16 “(II) as to the amount of the
17 over issuance in the applicable fiscal
18 year for which the State agency is lia-
19 ble.

20 “(iii) ESTABLISHING A CLAIM.—Upon
21 determining under clause (ii) that a State
22 agency has over issued benefits to house-
23 holds due to a major systemic error deter-
24 mined under subparagraph (A), the Sec-
25 retary shall establish a claim against the

1 State agency equal to the value of the over
2 issuance caused by the systemic error.

3 “(iv) ADMINISTRATIVE AND JUDICIAL
4 REVIEW.—Administrative and judicial re-
5 view, as provided in section 14, shall apply
6 to the final determinations by the Sec-
7 retary under clause (ii).

8 “(v) REMISSION TO THE SEC-
9 RETARY.—

10 “(I) DETERMINATION NOT AP-
11 PEALD.—If the determination of the
12 Secretary under clause (ii) is not ap-
13 pealed, the State agency shall, as soon
14 as practicable, remit to the Secretary
15 the dollar amount specified in the
16 claim under clause (iii).

17 “(II) DETERMINATION AP-
18 PEALD.—If the determination of the
19 Secretary under clause (ii) is ap-
20 pealed, upon completion of adminis-
21 trative and judicial review under
22 clause (iv), and a finding of liability
23 on the part of the State, the appealing
24 State agency shall, as soon as prac-
25 ticable, remit to the Secretary a dollar

1 amount subject to the finding of the
2 administrative and judicial review.

3 “(vi) ALTERNATIVE METHOD OF COL-
4 LECTION.—

5 “(I) IN GENERAL.—If a State
6 agency fails to make a payment under
7 clause (v) within a reasonable period
8 of time, as determined by the Sec-
9 retary, the Secretary may reduce any
10 amount due to the State agency under
11 any other provision of this Act by the
12 amount due.

13 “(II) ACCRUAL OF INTEREST.—
14 During the period of time determined
15 by the Secretary to be reasonable
16 under subclause (I), interest in the
17 amount owed shall not accrue.

18 “(vii) LIMITATION.—Any liability
19 amount established under section
20 16(c)(1)(C) shall be reduced by the
21 amount of the claim established under this
22 subparagraph.”.

23 (b) CONFORMING AMENDMENT.—Section 14(a)(6) of
24 the Food and Nutrition Act of 2007 (7 U.S.C. 2023(a)(6))

1 is amended by striking “pursuant to section” and insert-
2 ing “pursuant to section 13(b)(5) and”.

3 **SEC. 4302. PERFORMANCE STANDARDS FOR BIOMETRIC**
4 **IDENTIFICATION TECHNOLOGY.**

5 Section 16 of the Food and Nutrition Act of 2007
6 (7 U.S.C. 2025) is amended by adding at the end the fol-
7 lowing:

8 “(1) PERFORMANCE STANDARDS FOR BIOMETRIC
9 IDENTIFICATION TECHNOLOGY.—

10 “(1) DEFINITION OF BIOMETRIC IDENTIFICA-
11 TION TECHNOLOGY.—In this subsection, the term
12 ‘biometric identification technology’ means a tech-
13 nology that provides an automated method to iden-
14 tify an individual based on physical characteristics,
15 such as fingerprints or retinal scans.

16 “(2) ADMINISTRATIVE FUNDS.—The Secretary
17 may not pay a State agency any amount for admin-
18 istrative costs for the development, purchase, admin-
19 istration, or other costs associated with the use of
20 biometric identification technology unless the State
21 agency has, under such terms and conditions as the
22 Secretary considers appropriate—

23 “(A) provided to the Secretary an analysis
24 of the cost-effectiveness of the use of the pro-
25 posed biometric identification technology to de-

1 tect fraud in carrying out the food and nutri-
2 tion program;

3 “(B) demonstrated to the Secretary that
4 the analysis is—

5 “(i) statistically valid; and

6 “(ii) based on appropriate and valid
7 assumptions for the households served by
8 the food and nutrition program;

9 “(C) demonstrated to the Secretary that—

10 “(i) the proposed biometric identifica-
11 tion technology is cost-effective in reducing
12 fraud; and

13 “(ii) there are no other technologies
14 or fraud-detection methods that are at
15 least as cost-effective in carrying out the
16 purposes of the proposed biometric identi-
17 fication system; and

18 “(D) demonstrated to the Secretary that
19 no information produced by or used in the bio-
20 metric information technology system will be
21 made available or used for any purpose other
22 than a purpose allowed under section 11(e)(8).

23 “(3) STANDARDS.—The Secretary shall estab-
24 lish uniform standards for the evaluation of cost-ef-

1 fectiveness analyses submitted to the Secretary
2 under paragraph (2).”.

3 **SEC. 4303. CIVIL PENALTIES AND DISQUALIFICATION OF**
4 **RETAIL FOOD STORES AND WHOLESALE**
5 **FOOD CONCERNS.**

6 Section 12 of the Food and Nutrition Act of 2007
7 (7 U.S.C. 2021) is amended—

8 (1) by striking the section designation and
9 heading and all that follows through the end of sub-
10 section (a) and inserting the following:

11 **“SEC. 12. CIVIL PENALTIES AND DISQUALIFICATION OF RE-**
12 **TAIL FOOD STORES AND WHOLESALE FOOD**
13 **CONCERNS.**

14 “(a) DISQUALIFICATION.—

15 “(1) IN GENERAL.—An approved retail food
16 store or wholesale food concern that violates a provi-
17 sion of this Act or a regulation under this Act may
18 be—

19 “(A) disqualified for a specified period of
20 time from further participation in the food and
21 nutrition program; or

22 “(B) assessed a civil penalty of up to
23 \$100,000 for each violation.

24 “(2) REGULATIONS.—Regulations promulgated
25 under this Act shall provide criteria for the finding

1 of a violation of, the suspension or disqualification
2 of, and the assessment of a civil penalty against, a
3 retail food store or wholesale food concern on the
4 basis of evidence that may include facts established
5 through on-site investigations, inconsistent redemp-
6 tion data, or evidence obtained through a trans-
7 action report under an electronic benefit transfer
8 system.”;

9 (2) in subsection (b)—

10 (A) by striking “(b) Disqualification” and
11 inserting the following:

12 “(b) PERIOD OF DISQUALIFICATION.—Subject to
13 subsection (c), a disqualification”;

14 (B) in paragraph (1), by striking “of no
15 less than six months nor more than five years”
16 and inserting “not to exceed 5 years”;

17 (C) in paragraph (2), by striking “of no
18 less than twelve months nor more than ten
19 years” and inserting “not to exceed 10 years”;

20 (D) in paragraph (3)(B)—

21 (i) by inserting “or a finding of the
22 unauthorized redemption, use, transfer, ac-
23 quisition, alteration, or possession of EBT
24 cards” after “concern” the first place it
25 appears; and

1 (ii) by striking “civil money penalties”

2 and inserting “civil penalties”; and

3 (E) by striking “civil money penalty” each

4 place it appears and inserting “civil penalty”;

5 (3) in subsection (c)—

6 (A) by striking “(c) The action” and in-

7 serting the following:

8 “(c) CIVIL PENALTY AND REVIEW OF DISQUALIFICA-

9 TION AND PENALTY DETERMINATIONS.—

10 “(1) CIVIL PENALTY.—In addition to a dis-

11 qualification under this section, the Secretary may

12 assess a civil penalty in an amount not to exceed

13 \$100,000 for each violation.

14 “(2) REVIEW.—The action”; and

15 (B) in paragraph (2) (as designated by

16 subparagraph (A)), by striking “civil money

17 penalty” and inserting “civil penalty”;

18 (4) in subsection (d)—

19 (A) by striking “(d)” and all that follows

20 through “. The Secretary shall” and inserting

21 the following:

22 “(d) CONDITIONS OF AUTHORIZATION.—

23 “(1) IN GENERAL.—As a condition of author-

24 ization to accept and redeem benefits, the Secretary

25 may require a retail food store or wholesale food

1 concern that, pursuant to subsection (a), has been
2 disqualified for more than 180 days, or has been
3 subjected to a civil penalty in lieu of a disqualifica-
4 tion period of more than 180 days, to furnish a col-
5 lateral bond or irrevocable letter of credit for a pe-
6 riod of not more than 5 years to cover the value of
7 benefits that the store or concern may in the future
8 accept and redeem in violation of this Act.

9 “(2) COLLATERAL.—The Secretary also may
10 require a retail food store or wholesale food concern
11 that has been sanctioned for a violation and incurs
12 a subsequent sanction regardless of the length of the
13 disqualification period to submit a collateral bond or
14 irrevocable letter of credit.

15 “(3) BOND REQUIREMENTS.—The Secretary
16 shall”;

17 (B) by striking “If the Secretary finds”
18 and inserting the following

19 “(4) FORFEITURE.—If the Secretary finds”;
20 and

21 (C) by striking “Such store or concern”
22 and inserting the following:

23 “(5) HEARING.—A store or concern described
24 in paragraph (4)”;

1 (5) in subsection (e), by striking “civil money
2 penalty” each place it appears and inserting “civil
3 penalty”; and

4 (6) by adding at the end the following:

5 “(h) FLAGRANT VIOLATIONS.—

6 “(1) IN GENERAL.—The Secretary, in consulta-
7 tion with the Inspector General of the Department
8 of Agriculture, shall establish procedures under
9 which the processing of program benefit redemptions
10 for a retail food store or wholesale food concern may
11 be immediately suspended pending administrative
12 action to disqualify the retail food store or wholesale
13 food concern.

14 “(2) REQUIREMENTS.—Under the procedures
15 described in paragraph (1), if the Secretary, in con-
16 sultation with the Inspector General, determines
17 that a retail food store or wholesale food concern is
18 engaged in flagrant violations of this Act (including
19 regulations promulgated under this Act), unsettled
20 program benefits that have been redeemed by the re-
21 tail food store or wholesale food concern—

22 “(A) may be suspended; and

23 “(B)(i) if the program disqualification is
24 upheld, may be subject to forfeiture pursuant to
25 subsection (g); or

1 “(ii) if the program disqualification is not
2 upheld, shall be released to the retail food store
3 or wholesale food concern.

4 “(3) NO LIABILITY FOR INTEREST.—The Sec-
5 retary shall not be liable for the value of any interest
6 on funds suspended under this subsection.”.

7 **SEC. 4304. FUNDING OF EMPLOYMENT AND TRAINING PRO-**
8 **GRAMS.**

9 (a) IN GENERAL.—Section 16(h)(1)(A) of the Food
10 and Nutrition Act of 2007 (7 U.S.C. 2025(h)(1)(A)) is
11 amended in subparagraph (A), by striking “to remain
12 available until expended” and inserting “to remain avail-
13 able for 2 fiscal years”.

14 (b) RESCISSION OF FUNDS.—Notwithstanding any
15 other provision of law, funds provided under section
16 16(h)(1)(A) of the Food and Nutrition Act of 2007 (7
17 U.S.C. 2025(h)(1)(A)) for any fiscal year before the fiscal
18 year beginning October 1, 2007, shall be rescinded on the
19 date of enactment of this Act, unless obligated by a State
20 agency before that date.

21 **SEC. 4305. ELIGIBILITY DISQUALIFICATION.**

22 Section 6 of the Food and Nutrition Assistance Act
23 of 2007 (7 U.S.C. 2015) is amended by adding at the end
24 the following:

1 “(p) DISQUALIFICATION FOR OBTAINING CASH BY
2 DESTROYING FOOD AND COLLECTING DEPOSITS.—Any
3 person who has been found by a State or Federal court
4 or administrative agency or in a hearing under subsection
5 (b) to have intentionally obtained cash by purchasing
6 products with food and nutrition benefits that have con-
7 tainers that require return deposits, discarding the prod-
8 uct, and returning the container for the deposit amount
9 shall be ineligible for benefits under this Act for such pe-
10 riod of time as the Secretary shall prescribe by regulation.

11 “(q) DISQUALIFICATION FOR SALE OF FOOD PUR-
12 CHASED WITH FOOD AND NUTRITION BENEFITS.—Sub-
13 ject to any requirements established by the Secretary, any
14 person who has been found by a State or Federal court
15 or administrative agency or in a hearing under subsection
16 (b) to have intentionally sold any food that was purchased
17 using food and nutrition benefits shall be ineligible for
18 benefits under this Act for such period of time as the Sec-
19 retary shall prescribe by regulation.”.

20 **PART V—MISCELLANEOUS**

21 **SEC. 4401. DEFINITION OF STAPLE FOODS.**

22 Subsection (r) of section 3 of the Food and Nutrition
23 Act of 2007 (7 U.S.C. 2012) (as redesignated by section
24 4202(b)(1)(M)) is amended—

1 (1) by striking “(r)(1) Except” and inserting
2 the following:

3 “(r) STAPLE FOODS.—

4 “(1) IN GENERAL.—Except”; and

5 (2) by striking paragraph (2) and inserting the
6 following:

7 “(2) EXCEPTIONS.—The term ‘staple foods’
8 does not include accessory food items, such as cof-
9 fee, tea, cocoa, carbonate and uncarbonated drinks,
10 candy, condiments, and spices, or dietary supple-
11 ments.

12 “(3) DEPTH OF STOCK.—The Secretary may
13 issue regulations to define depth of stock to ensure
14 that stocks of staple foods are available on a contin-
15 uous basis.”.

16 **SEC. 4402. ACCESSORY FOOD ITEMS.**

17 Section 9(a) of the Food and Nutrition Act of 2007
18 (7 U.S.C. 2018(a)) is amended by adding at the end the
19 following:

20 “(4) ACCESSORY FOOD ITEMS.—

21 “(A) IN GENERAL.—Not later than 1 year
22 after the date of enactment of this paragraph,
23 the Secretary shall promulgate proposed regula-
24 tions providing that a dietary supplement shall

1 not be considered an accessory food item unless
2 the dietary supplement—

3 “(i) contains folic acid or calcium in
4 accordance with sections 101.72 and
5 101.79 of title 21, Code of Federal Regula-
6 tions (as in effect on the date of enactment
7 of this paragraph); and

8 “(ii) is a multivitamin-mineral supple-
9 ment that—

10 “(I) provides at least $\frac{2}{3}$ of the
11 essential vitamins and minerals at
12 100 percent of the daily value levels,
13 as determined by the Food and Drug
14 Administration; and

15 “(II) does not exceed the daily
16 upper limit for those nutrients for
17 which an established daily upper limit
18 has been determined by the Institute
19 of Medicine of the National Academy
20 of Sciences.

21 “(B) FINAL REGULATIONS.—Not later
22 than 2 years after the date of enactment of this
23 paragraph, the Secretary shall promulgate final
24 regulations in accordance with subparagraph
25 (A).

1 “(C) PURCHASE OF DIETARY SUPPLE-
2 MENTS.—No dietary supplements may be pur-
3 chased using benefits under this Act until the
4 earlier of—

5 “(i) the date on which the Secretary
6 promulgates final regulations under sub-
7 paragraph (B); or

8 “(ii) the date on which the Secretary
9 certifies a voluntary system of labeling for
10 the ready and accurate identification of eli-
11 gible dietary supplements, as developed by
12 the Secretary in consultation with the die-
13 tary supplement industry and dietary sup-
14 plement retailers.”.

15 **SEC. 4403. PILOT PROJECTS TO EVALUATE HEALTH AND**
16 **NUTRITION PROMOTION IN THE FOOD AND**
17 **NUTRITION PROGRAM.**

18 Section 17 of the Food and Nutrition Act of 2007
19 (7 U.S.C. 2026) is amended by adding at the end the fol-
20 lowing:

21 “(k) PILOT PROJECTS TO EVALUATE HEALTH AND
22 NUTRITION PROMOTION IN THE FOOD AND NUTRITION
23 PROGRAM.—

24 “(1) IN GENERAL.—The Secretary shall carry
25 out, under such terms and conditions as the Sec-

1 retary considers to be appropriate, pilot projects to
2 develop and test methods—

3 “(A) of using the food and nutrition pro-
4 gram to improve the dietary and health status
5 of households participating in the food and nu-
6 trition program; and

7 “(B) to reduce overweight, obesity, and as-
8 sociated co-morbidities in the United States.

9 “(2) PROJECTS.—Pilot projects carried out
10 under paragraph (1) may include projects to deter-
11 mine whether healthier food purchases by and
12 healthier diets among households participating in
13 the food and nutrition program result from projects
14 that—

15 “(A) increase the food and nutrition assist-
16 ance purchasing power of the participating
17 households by providing increased food and nu-
18 trition assistance benefit allotments to the par-
19 ticipating households;

20 “(B) increase access to farmers markets by
21 participating households through the electronic
22 redemption of food and nutrition assistance at
23 the farmers markets;

24 “(C) provide incentives to authorized food
25 and nutrition program vendors to increase the

1 availability of healthy foods to participating
2 households;

3 “(D) subject authorized food and nutrition
4 program vendors to stricter vendor require-
5 ments with respect to carrying and stocking
6 healthy foods;

7 “(E) provide incentives at the point of pur-
8 chase to encourage participating households to
9 purchase fruits, vegetables, or other healthy
10 foods; or

11 “(F) provide to participating households
12 integrated communication and education pro-
13 grams, including the provision of funding for a
14 portion of a school based nutrition coordinator
15 to implement a broad nutrition action plan and
16 parent nutrition education programs in elemen-
17 tary schools, separately or in combination with
18 pilot projects carried out under subparagraphs
19 (A) through (E).

20 “(3) DURATION.—A pilot project carried out
21 under this subsection shall have a term of not more
22 than 5 years.

23 “(4) EVALUATIONS AND REPORTS.—

24 “(A) EVALUATIONS.—

25 “(i) INDEPENDENT EVALUATION.—

1 “(I) IN GENERAL.—The Sec-
2 retary shall provide for an inde-
3 pendent evaluation of each pilot
4 project under this subsection that
5 measures the impact of the pilot pro-
6 gram on health and nutrition as de-
7 scribed in paragraph (1).

8 “(II) REQUIREMENT.—The inde-
9 pendent evaluation under subclause
10 (I) shall use rigorous methodologies,
11 particularly random assignment or
12 other methods that are capable of pro-
13 ducing scientifically-valid information
14 regarding which activities are effec-
15 tive.

16 “(ii) COSTS.—The Secretary may use
17 funds provided to carry out this section to
18 pay costs associated with monitoring and
19 evaluating each pilot project.

20 “(B) REPORTS.—Not later than 90 days
21 after the last day of fiscal year 2008 and each
22 fiscal year thereafter until the completion of the
23 last evaluation under subparagraph (A), the
24 Secretary shall submit to the Committee on Ag-
25 riculture of the House of Representatives and

1 the Committee on Agriculture, Nutrition, and
2 Forestry of the Senate a report that includes a
3 description of—

4 “(i) the status of each pilot project;

5 “(ii) the results of the evaluation com-
6 pleted during the previous fiscal year; and

7 “(iii) to the maximum extent prac-
8 ticable—

9 “(I) the impact of the pilot
10 project on appropriate health, nutri-
11 tion, and associated behavioral out-
12 comes among households participating
13 in the pilot project;

14 “(II) baseline information rel-
15 evant to the stated goals and desired
16 outcomes of the pilot project; and

17 “(III) equivalent information
18 about similar or identical measures
19 among control or comparison groups
20 that did not participate in the pilot
21 project.

22 “(5) FUNDING.—

23 “(A) IN GENERAL.—Out of any funds
24 made available under section 18, the Secretary

1 shall use \$50,000,000 to carry out this section,
2 to remain available until expended.

3 “(B) USE OF FUNDS.—Of funds made
4 available under subparagraph (A), the Sec-
5 retary shall use not more than \$25,000,000 to
6 carry out a pilot project described in paragraph
7 (2)(E).”.

8 **SEC. 4404. BILL EMERSON NATIONAL HUNGER FELLOWS**
9 **AND MICKEY LELAND INTERNATIONAL HUN-**
10 **GER FELLOWS.**

11 (a) IN GENERAL.—The Food and Nutrition Act of
12 2007 (7 U.S.C. 2011 et seq.) is amended by adding at
13 the end the following:

14 **“SEC. 28. BILL EMERSON NATIONAL HUNGER FELLOWS**
15 **AND MICKEY LELAND INTERNATIONAL HUN-**
16 **GER FELLOWS.**

17 “(a) SHORT TITLE.—This section may be cited as the
18 ‘Bill Emerson National Hunger Fellows and Mickey Le-
19 land International Hunger Fellows Program Act of 2007’.

20 “(b) FINDINGS.—Congress finds that—

21 “(1) there is a critical need for compassionate
22 individuals who are committed to assisting people
23 who suffer from hunger to initiate and administer
24 solutions to the hunger problem;

1 “(2) Bill Emerson, the distinguished late Rep-
2 resentative from the 8th District of Missouri, dem-
3 onstrated—

4 “(A) his commitment to solving the prob-
5 lem of hunger in a bipartisan manner;

6 “(B) his commitment to public service; and

7 “(C) his great affection for the institution
8 and ideals of the United States Congress;

9 “(3) George T. (Mickey) Leland, the distin-
10 guished late Representative from the 18th District
11 of Texas, demonstrated—

12 “(A) his compassion for those in need;

13 “(B) his high regard for public service;
14 and

15 “(C) his lively exercise of political talents;

16 “(4) the special concern that Mr. Emerson and
17 Mr. Leland demonstrated during their lives for the
18 hungry and poor was an inspiration for others to
19 work toward the goals of equality and justice for all;

20 “(5) these 2 outstanding leaders maintained a
21 special bond of friendship regardless of political af-
22 filiation and worked together to encourage future
23 leaders to recognize and provide service to others;
24 and

1 “(6) it is especially appropriate to honor the
2 memory of Mr. Emerson and Mr. Leland by creating
3 a fellowship program to develop and train the future
4 leaders of the United States to pursue careers in hu-
5 manitarian service.

6 “(c) DEFINITIONS.—In this subsection:

7 “(1) DIRECTOR.—The term ‘Director’ means
8 the head of the Congressional Hunger Center.

9 “(2) FELLOW.—The term ‘fellow’ means—

10 “(A) a Bill Emerson Hunger Fellow; or

11 “(B) Mickey Leland Hunger Fellow

12 “(3) FELLOWSHIP PROGRAMS.—The term ‘Fel-
13 lowship Programs’ means the Bill Emerson National
14 Hunger Fellowship Program and the Mickey Leland
15 International Hunger Fellowship Program estab-
16 lished under subsection (d)(1).

17 “(d) FELLOWSHIP PROGRAMS.—

18 “(1) IN GENERAL.—There is established the
19 Bill Emerson National Hunger Fellowship Program
20 and the Mickey Leland International Hunger Fel-
21 lowship Program.

22 “(2) PURPOSES.—

23 “(A) IN GENERAL.—The purposes of the
24 Fellowship Programs are—

1 “(i) to encourage future leaders of the
2 United States—

3 “(I) to pursue careers in humani-
4 tarian and public service;

5 “(II) to recognize the needs of
6 low-income people and hungry people;

7 “(III) to provide assistance to
8 people in need; and

9 “(IV) to seek public policy solu-
10 tions to the challenges of hunger and
11 poverty;

12 “(ii) to provide training and develop-
13 ment opportunities for such leaders
14 through placement in programs operated
15 by appropriate organizations or entities;
16 and

17 “(iii) to increase awareness of the im-
18 portance of public service.

19 “(B) BILL EMERSON HUNGER FELLOW-
20 SHIP PROGRAM.—The purpose of the Bill Emer-
21 son Hunger Fellowship Program is to address
22 hunger and poverty in the United States.

23 “(C) MICKEY LELAND HUNGER FELLOW-
24 SHIP PROGRAM.—The purpose of the Mickey
25 Leland Hunger Fellowship Program is to ad-

1 dress international hunger and other humani-
2 tarian needs.

3 “(3) ADMINISTRATION.—

4 “(A) IN GENERAL.—Subject to subpara-
5 graph (B), the Secretary shall offer to enter
6 into a contract with the Congressional Hunger
7 Center to administer the Fellowship Programs.

8 “(B) TERMS OF CONTRACT.—The terms of
9 the contract entered into under subparagraph
10 (A), including the length of the contract and
11 provisions for the alteration or termination of
12 the contract, shall be determined by the Sec-
13 retary in accordance with this section.

14 “(e) FELLOWSHIPS.—

15 “(1) IN GENERAL.—The Director shall make
16 available Bill Emerson Hunger Fellowships and
17 Mickey Leland Hunger Fellowships in accordance
18 with this subsection.

19 “(2) CURRICULUM.—

20 “(A) IN GENERAL.—The Fellowship Pro-
21 grams shall provide experience and training to
22 develop the skills necessary to train fellows to
23 carry out the purposes described in subsection
24 (d)(2), including—

1 “(i) training in direct service pro-
2 grams for the hungry and other anti-hun-
3 ger programs in conjunction with commu-
4 nity-based organizations through a pro-
5 gram of field placement; and

6 “(ii) providing experience in policy de-
7 velopment through placement in a govern-
8 mental entity or nongovernmental, non-
9 profit, or private sector organization.

10 “(B) WORK PLAN.—To carry out subpara-
11 graph (A) and assist in the evaluation of the
12 fellowships under paragraph (6), the Director
13 shall, for each fellow, approve a work plan that
14 identifies the target objectives for the fellow in
15 the fellowship, including specific duties and re-
16 sponsibilities relating to those objectives.

17 “(3) PERIOD OF FELLOWSHIP.—

18 “(A) BILL EMERSON HUNGER FELLOW.—
19 A Bill Emerson Hunger Fellowship awarded
20 under this section shall be for not more than 15
21 months.

22 “(B) MICKEY LELAND HUNGER FEL-
23 LOW.—A Mickey Leland Hunger Fellowship
24 awarded under this section shall be for not
25 more than 2 years.

1 “(4) SELECTION OF FELLOWS.—

2 “(A) IN GENERAL.—Fellowships shall be
3 awarded pursuant to a nationwide competition
4 established by the Director.

5 “(B) QUALIFICATIONS.—A successful pro-
6 gram applicant shall be an individual who has
7 demonstrated—

8 “(i) an intent to pursue a career in
9 humanitarian services and outstanding po-
10 tential for such a career;

11 “(ii) leadership potential or actual
12 leadership experience;

13 “(iii) diverse life experience;

14 “(iv) proficient writing and speaking
15 skills;

16 “(v) an ability to live in poor or di-
17 verse communities; and

18 “(vi) such other attributes as are con-
19 sidered to be appropriate by the Director.

20 “(5) AMOUNT OF AWARD.—

21 “(A) IN GENERAL.—A fellow shall re-
22 ceive—

23 “(i) a living allowance during the term
24 of the Fellowship; and

1 “(ii) subject to subparagraph (B), an
2 end-of-service award.

3 “(B) REQUIREMENT FOR SUCCESSFUL
4 COMPLETION OF FELLOWSHIP.—Each fellow
5 shall be entitled to receive an end-of-service
6 award at an appropriate rate for each month of
7 satisfactory service completed, as determined by
8 the Director.

9 “(C) TERMS OF FELLOWSHIP.—A fellow
10 shall not be considered an employee of—

11 “(i) the Department of Agriculture;

12 “(ii) the Congressional Hunger Cen-
13 ter; or

14 “(iii) a host agency in the field or pol-
15 icy placement of the fellow.

16 “(D) RECOGNITION OF FELLOWSHIP
17 AWARD.—

18 “(i) EMERSON FELLOW.—An indi-
19 vidual awarded a fellowship from the Bill
20 Emerson Hunger Fellowship shall be
21 known as an ‘Emerson Fellow’.

22 “(ii) LELAND FELLOW.—An indi-
23 vidual awarded a fellowship from the Mick-
24 ey Leland Hunger Fellowship shall be
25 known as a ‘Leland Fellow’.

1 “(6) EVALUATIONS AND AUDITS.—Under terms
2 stipulated in the contract entered into under sub-
3 section (d)(3), the Director shall—

4 “(A) conduct periodic evaluations of the
5 Fellowship Programs; and

6 “(B) arrange for annual independent fi-
7 nancial audits of expenditures under the Fel-
8 lowship Programs.

9 “(f) AUTHORITY.—

10 “(1) IN GENERAL.—Subject to paragraph (2),
11 in carrying out this section, the Director may solicit,
12 accept, use, and dispose of gifts, bequests, or devises
13 of services or property, both real and personal, for
14 the purpose of facilitating the work of the Fellow-
15 ship Programs.

16 “(2) LIMITATION.—Gifts, bequests, or devises
17 of money and proceeds from sales of other property
18 received as gifts, bequests, or devises shall be used
19 exclusively for the purposes of the Fellowship Pro-
20 grams.

21 “(g) REPORT.—The Director shall annually submit
22 to the Secretary of Agriculture, the Committee on Agri-
23 culture of the House of Representatives, and the Com-
24 mittee on Agriculture, Nutrition, and Forestry of the Sen-
25 ate a report that—

1 “(1) describes the activities and expenditures of
2 the Fellowship Programs during the preceding fiscal
3 year, including expenditures made from funds made
4 available under subsection (h); and

5 “(2) includes the results of evaluations and au-
6 dits required by subsection (f).

7 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to the Secretary such
9 sums as are necessary to carry out this section, to remain
10 available until expended.”.

11 (b) REPEAL.—Section 4404 of the Farm Security
12 and Rural Investment Act of 2002 (2 U.S.C. 1161) is re-
13 pealed.

14 **SEC. 4405. HUNGER-FREE COMMUNITIES.**

15 (a) DEFINITIONS.—In this section:

16 (1) DOMESTIC HUNGER GOAL.—The term “do-
17 mestic hunger goal” means—

18 (A) the goal of reducing hunger in the
19 United States to at or below 2 percent by 2010;
20 or

21 (B) the goal of reducing food insecurity in
22 the United States to at or below 6 percent by
23 2010.

24 (2) EMERGENCY FEEDING ORGANIZATION.—
25 The term “emergency feeding organization” has the

1 meaning given the term in section 201A of the
2 Emergency Food Assistance Act of 1983 (7 U.S.C.
3 7501).

4 (3) FOOD SECURITY.—The term “food secu-
5 rity” means the state in which an individual has ac-
6 cess to enough food for an active, healthy life.

7 (4) HUNGER-FREE COMMUNITIES GOAL.—The
8 term “hunger-free communities goal” means any of
9 the 14 goals described in the H. Con. Res. 302
10 (102nd Congress).

11 (b) HUNGER REPORTS.—

12 (1) STUDY.—

13 (A) TIMELINE.—

14 (i) IN GENERAL.—Not later than 1
15 year after the date of enactment of this
16 Act, the Secretary shall conduct a study of
17 major matters relating to the problem of
18 hunger in the United States, as determined
19 by the Secretary.

20 (ii) UPDATE.—Not later than 5 years
21 after the date on which the study under
22 clause (i) is conducted, the Secretary shall
23 update the study.

24 (B) MATTERS TO BE ASSESSED.—The
25 matters to be assessed by the Secretary in the

1 study and update under this paragraph shall in-
2 clude—

3 (i) data on hunger and food insecurity
4 in the United States;

5 (ii) measures carried out during the
6 previous year by Federal, State, and local
7 governments to achieve domestic hunger
8 goals and hunger-free communities goals;
9 and

10 (iii) measures that could be carried
11 out by Federal, State, and local govern-
12 ments to achieve domestic hunger goals
13 and hunger-free communities goals.

14 (2) RECOMMENDATIONS.—The Secretary shall
15 develop recommendations on—

16 (A) removing obstacles to achieving domes-
17 tic hunger goals and hunger-free communities
18 goals; and

19 (B) otherwise reducing domestic hunger.

20 (3) REPORT.—The Secretary shall submit to
21 the President and Congress—

22 (A) not later than 1 year after the date of
23 enactment of this Act, a report that contains—

24 (i) a detailed statement of the results
25 of the study, or the most recent update to

1 the study, conducted under paragraph
2 (1)(A); and
3 (ii) the most recent recommendations
4 of the Secretary under paragraph (2); and
5 (B) not later than 5 years after the date
6 of submission of the report under subparagraph
7 (A), an update of the report.

8 (c) HUNGER-FREE COMMUNITIES COLLABORATIVE
9 GRANTS.—

10 (1) DEFINITION OF ELIGIBLE ENTITY.—In this
11 subsection, the term “eligible entity” means a public
12 food program service provider or a nonprofit organi-
13 zation, including but not limited to an emergency
14 feeding organization, that demonstrates the organi-
15 zation has collaborated, or will collaborate, with 1 or
16 more local partner organizations to achieve at least
17 1 hunger-free communities goal.

18 (2) PROGRAM AUTHORIZED.—

19 (A) IN GENERAL.—The Secretary shall use
20 not more than 55 percent of any funds made
21 available under subsection (f) to make grants to
22 eligible entities to pay the Federal share of the
23 costs of an activity described in paragraph (4).

1 (B) FEDERAL SHARE.—The Federal share
2 of the cost of carrying out an activity under
3 this subsection shall not exceed 80 percent.

4 (C) NON-FEDERAL SHARE.—

5 (i) CALCULATION.—The non-Federal
6 share of the cost of an activity under this
7 subsection may be provided in cash or in
8 kind, fairly evaluated, including facilities,
9 equipment, or services.

10 (ii) SOURCES.—Any entity may pro-
11 vide the non-Federal share of the cost of
12 an activity under this subsection through a
13 State government, a local government, or a
14 private source.

15 (3) APPLICATION.—

16 (A) IN GENERAL.—To receive a grant
17 under this subsection, an eligible entity shall
18 submit an application to the Secretary at the
19 time and in the manner and accompanied by
20 any information the Secretary may require.

21 (B) CONTENTS.—Each application sub-
22 mitted under subparagraph (A) shall—

23 (i) identify any activity described in
24 paragraph (4) that the grant will be used
25 to fund;

1 (ii) describe the means by which an
2 activity identified under clause (i) will re-
3 duce hunger in the community of the eligi-
4 ble entity;

5 (iii) list any partner organizations of
6 the eligible entity that will participate in
7 an activity funded by the grant;

8 (iv) describe any agreement between a
9 partner organization and the eligible entity
10 necessary to carry out an activity funded
11 by the grant; and

12 (v) if an assessment described in
13 paragraph (4)(A) has been performed, in-
14 clude—

15 (I) a summary of that assess-
16 ment; and

17 (II) information regarding the
18 means by which the grant will help re-
19 duce hunger in the community of the
20 eligible entity.

21 (C) PRIORITY.—In making grants under
22 this subsection, the Secretary shall give priority
23 to eligible entities that—

24 (i) demonstrate in the application of
25 the eligible entity that the eligible entity

1 makes collaborative efforts to reduce hun-
2 ger in the community of the eligible entity;
3 and

4 (ii)(I) serve communities in which the
5 rates of food insecurity, hunger, poverty,
6 or unemployment are demonstrably higher
7 than national average rates;

8 (II) provide evidence of long-term ef-
9 forts to reduce hunger in the community;

10 (III) provide evidence of public sup-
11 port for the efforts of the eligible entity; or

12 (IV) demonstrate in the application of
13 the eligible entity a commitment to achiev-
14 ing more than 1 hunger-free communities
15 goal.

16 (4) USE OF FUNDS.—

17 (A) ASSESSMENT OF HUNGER IN THE
18 COMMUNITY.—

19 (i) IN GENERAL.—An eligible entity in
20 a community that has not performed an
21 assessment described in clause (ii) may use
22 a grant received under this subsection to
23 perform the assessment for the community.

24 (ii) ASSESSMENT.—The assessment
25 referred to in clause (ii) shall include—

1 (I) an analysis of the problem of
2 hunger in the community served by
3 the eligible entity;

4 (II) an evaluation of any facility
5 and any equipment used to achieve a
6 hunger-free communities goal in the
7 community;

8 (III) an analysis of the effective-
9 ness and extent of service of existing
10 nutrition programs and emergency
11 feeding organizations; and

12 (IV) a plan to achieve any other
13 hunger-free communities goal in the
14 community.

15 (B) ACTIVITIES.—An eligible entity in a
16 community that has submitted an assessment to
17 the Secretary shall use a grant received under
18 this subsection for any fiscal year for activities
19 of the eligible entity, including—

20 (i) meeting the immediate needs of
21 people in the community served by the eli-
22 gible entity who experience hunger by—

23 (I) distributing food;

24 (II) providing community out-
25 reach; or

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1 (III) improving access to food as
2 part of a comprehensive service;

3 (ii) developing new resources and
4 strategies to help reduce hunger in the
5 community;

6 (iii) establishing a program to achieve
7 a hunger-free communities goal in the
8 community, including—

9 (I) a program to prevent, mon-
10 itor, and treat children in the commu-
11 nity experiencing hunger or poor nu-
12 trition; or

13 (II) a program to provide infor-
14 mation to people in the community on
15 hunger, domestic hunger goals, and
16 hunger-free communities goals; and

17 (iv) establishing a program to provide
18 food and nutrition services as part of a co-
19 ordinated community-based comprehensive
20 service.

21 (d) HUNGER-FREE COMMUNITIES INFRASTRUCTURE
22 GRANTS.—

23 (1) DEFINITION OF ELIGIBLE ENTITY.—In this
24 subsection, the term “eligible entity” means an
25 emergency feeding organization (as defined in sec-

1 tion 201A(4) of the Emergency Food Assistance Act
2 of 1983 (7 U.S.C. 7501(4))).

3 (2) PROGRAM AUTHORIZED.—

4 (A) IN GENERAL.—The Secretary shall use
5 not more than 45 percent of any funds made
6 available under subsection (f) to make grants to
7 eligible entities to pay the Federal share of the
8 costs of an activity described in paragraph (4).

9 (B) FEDERAL SHARE.—The Federal share
10 of the cost of carrying out an activity under
11 this subsection shall not exceed 80 percent.

12 (3) APPLICATION.—

13 (A) IN GENERAL.—To receive a grant
14 under this subsection, an eligible entity shall
15 submit an application to the Secretary at the
16 time and in the manner and accompanied by
17 any information the Secretary may require.

18 (B) CONTENTS.—Each application sub-
19 mitted under subparagraph (A) shall—

20 (i) identify any activity described in
21 paragraph (4) that the grant will be used
22 to fund; and

23 (ii) describe the means by which an
24 activity identified under clause (i) will re-

1 duce hunger in the community of the eligi-
2 ble entity.

3 (C) PRIORITY.—In making grants under
4 this subsection, the Secretary shall give priority
5 to eligible entities the applications of which
6 demonstrate 2 or more of the following:

7 (i) The eligible entity serves a commu-
8 nity in which the rates of food insecurity,
9 hunger, poverty, or unemployment are de-
10 monstrably higher than national average
11 rates.

12 (ii) The eligible entity serves a com-
13 munity that has carried out long-term ef-
14 forts to reduce hunger in the community.

15 (iii) The eligible entity serves a com-
16 munity that provides public support for the
17 efforts of the eligible entity.

18 (iv) The eligible entity is committed to
19 achieving more than 1 hunger-free commu-
20 nities goal.

21 (4) USE OF FUNDS.—An eligible entity shall
22 use a grant received under this subsection for any
23 fiscal year to carry out activities of the eligible enti-
24 ty, including—

1 (A) constructing, expanding, or repairing a
2 facility or equipment to support hunger relief
3 agencies in the community;

4 (B) assisting an emergency feeding organi-
5 zation in the community in obtaining locally-
6 produced produce and protein products; and

7 (C) assisting an emergency feeding organi-
8 zation in the community to process and serve
9 wild game.

10 (e) REPORT.—If funds are made available under sub-
11 section (f), not later than September 30, 2012, the Sec-
12 retary shall submit to Congress a report describing—

13 (1) each grant made under this section, includ-
14 ing—

15 (A) a description of any activity funded by
16 such a grant; and

17 (B) the degree of success of each activity
18 funded by such a grant in achieving hunger-free
19 communities goals; and

20 (2) the degree of success of all activities funded
21 by grants under this section in achieving domestic
22 hunger goals.

23 (f) AUTHORIZATION OF APPROPRIATIONS.—There is
24 authorized to be appropriated to carry out this section
25 \$50,000,000 for each of fiscal years 2008 through 2012.

1 **SEC. 4406. STATE PERFORMANCE ON ENROLLING CHIL-**
2 **DREN RECEIVING PROGRAM BENEFITS FOR**
3 **FREE SCHOOL MEALS.**

4 (a) IN GENERAL.—Not later than June 30 of each
5 year, the Secretary shall submit to the Committee on Agri-
6 culture of the House of Representatives and the Com-
7 mittee on Agriculture, Nutrition, and Forestry of the Sen-
8 ate a report that assesses the effectiveness of each State
9 in enrolling school-aged children in households receiving
10 program benefits under the Food and Nutrition Act of
11 2007 (7 U.S.C. 2011 et seq.) (referred to in this section
12 as “program benefits”) for free school meals using direct
13 certification.

14 (b) SPECIFIC MEASURES.—The assessment of the
15 Secretary of the performance of each State shall include—

16 (1) an estimate of the number of school-aged
17 children, by State, who were members of a house-
18 hold receiving program benefits at any time in July,
19 August, or September of the prior year;

20 (2) an estimate of the number of school-aged
21 children, by State, who were directly certified as eli-
22 gible for free lunches under the Richard B. Russell
23 National School Lunch Act (42 U.S.C. 1751 et
24 seq.), based on receipt of program benefits, as of Oc-
25 tober 1 of the prior year; and

1 (3) an estimate of the number of school-aged
2 children, by State, who were members of a house-
3 hold receiving program benefits at any time in July,
4 August, or September of the prior year who were not
5 candidates for direct certification because on Octo-
6 ber 1 of the prior year the children attended a
7 school operating under the special assistance provi-
8 sions of section 11(a)(1) of the Richard B. Russell
9 National School Lunch Act (42 U.S.C. 1759a) that
10 is not operating in a base year.

11 (c) PERFORMANCE INNOVATIONS.—The report of the
12 Secretary shall describe best practices from States with
13 the best performance or the most improved performance
14 from the previous year.

15 **Subtitle B—Food Distribution**
16 **Program on Indian Reservations**

17 **SEC. 4501. ASSESSING THE NUTRITIONAL VALUE OF THE**
18 **FDPIR FOOD PACKAGE.**

19 (a) IN GENERAL.—Section 4 of the Food and Nutri-
20 tion Act of 2007 (7 U.S.C. 2013) is amended by striking
21 subsection (b) and inserting the following:

22 “(b) FOOD DISTRIBUTION PROGRAM ON INDIAN
23 RESERVATIONS.—

24 “(1) IN GENERAL.—Distribution of commod-
25 ities, with or without the food and nutrition pro-

1 gram, shall be made whenever a request for concur-
2 rent or separate food program operations, respec-
3 tively, is made by a tribal organization.

4 “(2) ADMINISTRATION.—

5 “(A) IN GENERAL.—Subject to subpara-
6 graphs (B) and (C), in the event of distribution
7 on all or part of an Indian reservation, the ap-
8 propriate agency of the State government in the
9 area involved shall be responsible for the dis-
10 tribution.

11 “(B) ADMINISTRATION BY TRIBAL ORGANI-
12 ZATION.—If the Secretary determines that a
13 tribal organization is capable of effectively and
14 efficiently administering a distribution de-
15 scribed in paragraph (1), then the tribal organi-
16 zation shall administer the distribution.

17 “(C) PROHIBITION.—The Secretary shall
18 not approve any plan for a distribution de-
19 scribed in paragraph (1) that permits any
20 household on any Indian reservation to partici-
21 pate simultaneously in the food and nutrition
22 program and the distribution of federally do-
23 nated foods.

24 “(3) DISQUALIFIED PARTICIPANTS.—An indi-
25 vidual who is disqualified from participation in the

1 food distribution program on Indian reservations
2 under this subsection is not eligible to participate in
3 the food and nutrition program under this Act.

4 “(4) ADMINISTRATIVE COSTS.—The Secretary
5 is authorized to pay such amounts for administrative
6 costs and distribution costs on Indian reservations
7 as the Secretary finds necessary for effective admin-
8 istration of such distribution by a State agency or
9 tribal organization.

10 “(5) BISON MEAT.—Subject to the availability
11 of appropriations, the Secretary may purchase bison
12 meat for recipients of food distributed under this
13 subsection, including bison meat from—

14 “(A) Native American bison producers;
15 and

16 “(B) producer-owned cooperatives of bison
17 ranchers.

18 “(6) TRADITIONAL FOOD FUND.—

19 “(A) IN GENERAL.—Subject to the avail-
20 ability of appropriations, the Secretary shall es-
21 tablish a fund for use in purchasing traditional
22 foods for recipients of food distributed under
23 this subsection.

24 “(B) SURVEY.—In carrying out this para-
25 graph, the Secretary shall—

1 “(i) survey participants of the food
2 distribution program on Indian reserva-
3 tions established under this subsection to
4 determine which traditional foods are most
5 desired by those participants; and

6 “(ii) purchase or offer to purchase
7 those traditional foods that may be pro-
8 cured cost-effectively.

9 “(C) AUTHORIZATION OF APPROPRIA-
10 TIONS.—There is authorized to be appropriated
11 to the Secretary to carry out this paragraph
12 \$5,000,000 for each of fiscal years 2008
13 through 2012.”.

14 (b) FDPIR FOOD PACKAGE.—Not later than 180
15 days after the date of enactment of this Act, the Secretary
16 of Agriculture shall submit to the Committee on Agri-
17 culture of the House of Representatives and the Com-
18 mittee on Agriculture, Nutrition, and Forestry of the Sen-
19 ate a report that describes—

20 (1) how the Secretary derives the process for
21 determining the food package under the food dis-
22 tribution program on Indian reservations established
23 under section 4(b) of the Food and Nutrition Act of
24 2007 (7 U.S.C. 2013(b)) (referred to in this sub-
25 section as the “food package”);

1 (2) the extent to which the food package—

2 (A) addresses the nutritional needs of low-
3 income Americans compared to the food and
4 nutrition program, particularly for very low-in-
5 come households;

6 (B) conforms (or fails to conform) to the
7 2005 Dietary Guidelines for Americans pub-
8 lished under section 301 of the National Nutri-
9 tion Monitoring and Related Research Act of
10 1990 (7 U.S.C. 5341);

11 (C) addresses (or fails to address) the nu-
12 tritional and health challenges that are specific
13 to Native Americans; and

14 (D) is limited by distribution costs or chal-
15 lenges of infrastructure;

16 (3) any plans of the Secretary to revise and up-
17 date the food package to conform with the most re-
18 cent Dietary Guidelines for Americans, including
19 any costs associated with the planned changes; and

20 (4) if the Secretary does not plan changes to
21 the food package, the rationale of the Secretary for
22 retaining the food package.

1 **Subtitle C—Administration of**
2 **Emergency Food Assistance**
3 **Program and Commodity Sup-**
4 **plemental Food Program**

5 **SEC. 4601. EMERGENCY FOOD ASSISTANCE.**

6 (a) STATE PLAN.—Section 202A of the Emergency
7 Food Assistance Act of 1983 (7 U.S.C. 7503) is amended
8 by striking subsection (a) and inserting the following:

9 “(a) PLANS.—To receive commodities under this Act,
10 every 3 years, a State shall submit to the Secretary an
11 operation and administration plan for the provision of as-
12 sistance under this Act.”.

13 (b) DONATED WILD GAME.—Section 204(a)(1) of
14 the Emergency Food Assistance Act of 1983 (7 U.S.C.
15 7508(a)(1)) is amended in the first sentence by inserting
16 “and donated wild game” before the period at the end.

17 **SEC. 4602. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

18 Section 5 of the Agriculture and Consumer Protec-
19 tion Act of 1973 (7 U.S.C. 612c note; Public Law 93–
20 86) is amended by striking subsection (g) and inserting
21 the following:

22 “(g) PROHIBITION.—Notwithstanding any other pro-
23 vision of law (including regulations), the Secretary may
24 not require a State or local agency to prioritize assistance
25 to a particular group of individuals that are—

1 “(1) low-income persons aged 60 and older; or
2 “(2) women, infants, and children.”.

3 **Subtitle D—Senior Farmers’**
4 **Market Nutrition Program**

5 **SEC. 4701. EXCLUSION OF BENEFITS IN DETERMINING ELI-**
6 **GIBILITY FOR OTHER PROGRAMS.**

7 (a) IN GENERAL.—Section 4402 of the Farm Secu-
8 rity and Rural Investment Act of 2002 (7 U.S.C. 3007)
9 is amended—

10 (1) in subsection (a), by striking “each of fiscal
11 years 2003 through 2007” and inserting “fiscal year
12 2008 and each fiscal year thereafter”;

13 (2) by redesignating subsections (b) and (c) as
14 subsections (c) and (e), respectively;

15 (3) by inserting after subsection (a) the fol-
16 lowing:

17 “(b) ADDITIONAL FUNDS.—In addition to the
18 amounts made available under subsection (a), for fiscal
19 year 2008 and each fiscal year thereafter, of the funds
20 of the Commodity Credit Corporation, the Secretary of
21 Agriculture shall use \$10,000,000 to expand the program
22 established under this section.”; and

23 (4) by inserting after subsection (c) (as redesign-
24 nated by paragraph (2)) the following:

1 “(d) EXCLUSION OF BENEFITS IN DETERMINING
2 ELIGIBILITY FOR OTHER PROGRAMS.—The value of any
3 benefit provided under the program under this section
4 shall not be taken into consideration in determining the
5 eligibility of an individual for any other Federal or State
6 assistance program.”.

7 (b) EFFECTIVE DATE.—The amendments made by
8 subsection (a) take effect on the date of enactment of this
9 Act.

10 **SEC. 4702. PROHIBITION ON COLLECTION OF SALES TAX.**

11 Section 4402 of the Farm Security and Rural Invest-
12 ment Act of 2002 (7 U.S.C. 3007) is amended by inserting
13 after subsection (d) (as added by section 4701(a)(4)) the
14 following:

15 “(e) PROHIBITION ON COLLECTION OF SALES
16 TAX.—A State that collects any sales tax on the purchase
17 of food using a benefit provided under the program under
18 this section shall not be eligible to participate in the pro-
19 gram.”.

20 **Subtitle E—Reauthorization of**
21 **Federal Food Assistance Programs**

22 **SEC. 4801. FOOD AND NUTRITION PROGRAM.**

23 (a) GRANTS FOR SIMPLE APPLICATION AND ELIGI-
24 BILITY DETERMINATION SYSTEMS AND IMPROVED AC-
25 CESS TO BENEFITS.—Section 11(t)(1) of the Food and

1 Nutrition Act of 2007 (7 U.S.C. 2020(t)(1)) is amended
2 by striking “For each of fiscal years 2003 through 2007”
3 and inserting “For fiscal year 2008 and each fiscal year
4 thereafter”.

5 (b) FUNDING OF EMPLOYMENT AND TRAINING PRO-
6 GRAMS.—Section 16(h)(1) of the Food and Nutrition Act
7 of 2007 (7 U.S.C. 2025(h)(1)) is amended—

8 (1) in subparagraph (A)(vii), by striking “for
9 each of fiscal years 2002 through 2007” and insert-
10 ing “for fiscal year 2008 and each fiscal year there-
11 after”; and

12 (2) in subparagraph (E)(i), by striking “for
13 each of fiscal years 2002 through 2007” and insert-
14 ing “for fiscal year 2008 and each fiscal year there-
15 after”.

16 (c) REDUCTIONS IN PAYMENTS FOR ADMINISTRA-
17 TIVE COSTS.—Section 16(k)(3) of the Food and Nutrition
18 Act of 2007 (7 U.S.C. 2025(k)(3)) is amended—

19 (1) in the first sentence of subparagraph (A),
20 by striking “for each of fiscal years 1999 through
21 2007” and inserting “for fiscal year 2008 and each
22 fiscal year thereafter”; and

23 (2) in subparagraph (B)(ii), by striking
24 “through fiscal year 2007”.

1 (d) CASH PAYMENT PILOT PROJECTS.—Section
2 17(b)(1)(B)(vi) of the Food and Nutrition Act of 2007
3 (7 U.S.C. 2026(b)(1)(B(vi))) is amended by striking
4 “through October 1, 2007”.

5 (e) AUTHORIZATION OF APPROPRIATIONS.—Section
6 18(a)(1) of the Food and Nutrition Act of 2007 (7 U.S.C.
7 2027(a)(1)) is amended in the first sentence by striking
8 “for each of the fiscal years 2003 through 2007” and in-
9 serting “for fiscal year 2008 and each fiscal year there-
10 after”.

11 (f) CONSOLIDATED BLOCK GRANTS FOR PUERTO
12 RICO AND AMERICAN SAMOA.—Section 19(a)(2)(A)(ii) of
13 the Food and Nutrition Act of 2007 (7 U.S.C.
14 2028(a)(2)(A)(ii)) by striking “for each of fiscal years
15 2004 through 2007” and inserting “for fiscal year 2008
16 and each fiscal year thereafter”.

17 (g) ASSISTANCE FOR COMMUNITY FOOD
18 PROJECTS.—Section 25 of the Food and Nutrition Act of
19 2007 (7 U.S.C. 2034) is amended—

20 (1) in subsection (b)(2), by striking subpara-
21 graph (B) and inserting the following:

22 “(B) \$10,000,000 for each of fiscal years
23 2008 through 2012.”; and

24 (2) in subsection (h)(4), by striking “2007”
25 and inserting “2012”.

1 **SEC. 4802. COMMODITY DISTRIBUTION.**

2 (a) EMERGENCY FOOD ASSISTANCE.—Section
3 204(a)(1) of the Emergency Food Assistance Act of 1983
4 (7 U.S.C. 7508(a)(1)) is amended in the first sentence by
5 striking “\$60,000,000 for each of the fiscal years 2003
6 through 2007” and inserting “\$100,000,000 for fiscal
7 year 2008 and each fiscal year thereafter”.

8 (b) COMMODITY DISTRIBUTION PROGRAM.—Section
9 4(a) of the Agriculture and Consumer Protection Act of
10 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended
11 in the first sentence by striking “years 1991 through
12 2007” and inserting “year 2008 and each fiscal year
13 thereafter”.

14 (c) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—
15 Section 5 of the Agriculture and Consumer Protection Act
16 of 1973 (7 U.S.C. 612c note; Public Law 93–86) is
17 amended—

18 (1) in subsection (a)—

19 (A) in paragraph (1), by striking “each of
20 fiscal years 2003 through 2007” and inserting
21 “fiscal year 2008 and each fiscal year there-
22 after”; and

23 (B) in paragraph (2)(B), by striking “(B)
24 FISCAL YEARS 2004 THROUGH 2007.—” and all
25 that follows through “2007” and inserting the
26 following:

1 “(B) SUBSEQUENT FISCAL YEARS.—For
2 fiscal year 2004 and each subsequent fiscal
3 year”; and

4 (2) in subsection (d)(2), by striking “each of
5 the fiscal years 1991 through 2007” and inserting
6 “fiscal year 2008 and each fiscal year thereafter”.

7 (d) DISTRIBUTION OF SURPLUS COMMODITIES TO
8 SPECIAL NUTRITION PROJECTS.—Section 1114(a)(2)(A)
9 of the Agriculture and Food Act of 1981 (7 U.S.C.
10 1431e(2)(A)) is amended in the first sentence by striking
11 “2007” and inserting “2012”.

12 **SEC. 4803. NUTRITION INFORMATION AND AWARENESS**
13 **PILOT PROGRAM.**

14 Section 4403(f) of the Farm Security and Rural In-
15 vestment Act of 2002 (7 U.S.C. 3171 note; Public Law
16 107–171) is amended by striking “2007” and inserting
17 “2012”.

18 **Subtitle F—Miscellaneous**

19 **SEC. 4901. PURCHASES OF LOCALLY GROWN FRUITS AND**
20 **VEGETABLES.**

21 Section 9(j) of the Richard B. Russell National
22 School Lunch Act (42 U.S.C. 1758(j)) is amended to read
23 as follows:

24 “(j) PURCHASES OF LOCALLY GROWN FRUITS AND
25 VEGETABLES.—The Secretary shall—

1 “(1) encourage institutions receiving funds
2 under this Act and the Child Nutrition Act of 1966
3 (42 U.S.C. 1771 et seq.) to purchase locally grown
4 fruits and vegetables, to the maximum extent prac-
5 ticable and appropriate;

6 “(2) advise institutions participating in a pro-
7 gram described in paragraph (1) of the policy de-
8 scribed in that paragraph and post information con-
9 cerning the policy on the website maintained by the
10 Secretary; and

11 “(3) allow institutions receiving funds under
12 this Act and the Child Nutrition Act of 1966 (42
13 U.S.C. 1771 et seq.), including the Department of
14 Defense, to use a geographic preference for the pro-
15 curement of locally grown fruits and vegetables.”.

16 **SEC. 4902. HEALTHY FOOD EDUCATION AND PROGRAM**
17 **REPLICABILITY.**

18 Section 18(i) of the Richard B. Russell National
19 School Lunch Act (42 U.S.C. 1769(i)) is amended—

20 (1) in paragraph (1)(C), by inserting “promotes
21 healthy food education in the school curriculum
22 and” before “incorporates”;

23 (2) by redesignating paragraph (2) as para-
24 graph (3); and

1 (3) by inserting after paragraph (1) the fol-
2 lowing:

3 “(2) ADMINISTRATION.—In providing grants
4 under this subsection, the Secretary shall give pri-
5 ority to projects that can be replicated in schools.”.

6 **SEC. 4903. FRESH FRUIT AND VEGETABLE PROGRAM.**

7 (a) IN GENERAL.—The Richard B. Russell National
8 School Lunch Act is amended by inserting after section
9 18 (42 U.S.C. 1769) the following:

10 **“SEC. 19. FRESH FRUIT AND VEGETABLE PROGRAM.**

11 “(a) IN GENERAL.—For the school year beginning
12 July 2008 and each subsequent school year, the Secretary
13 shall provide grants to States to carry out a program to
14 make free fresh fruits and vegetables available in elemen-
15 tary schools (referred to in this section as the ‘program’).

16 “(b) PROGRAM.—A school participating in the pro-
17 gram shall make free fresh fruits and vegetables available
18 to students throughout the school day (or at such other
19 times as are considered appropriate by the Secretary) in
20 1 or more areas designated by the school.

21 “(c) FUNDING TO STATES.—

22 “(1) MINIMUM GRANT.—The Secretary shall
23 provide to each of the 50 States and the District of
24 Columbia an annual grant in an amount equal to 1

1 percent of the funds made available for a fiscal year
2 to carry out the program.

3 “(2) ADDITIONAL FUNDING.—Of the funds re-
4 maining after grants are made under paragraph (1),
5 the Secretary shall allocate additional funds to each
6 State that is operating a school lunch program
7 under section 4 based on the proportion that—

8 “(A) the population of the State; bears to

9 “(B) the population of the United States.

10 “(d) SELECTION OF SCHOOLS.—

11 “(1) IN GENERAL.—In selecting schools to par-
12 ticipate in the program, each State shall—

13 “(A) ensure that each school chosen to
14 participate in the program is a school—

15 “(i) except as provided in paragraph
16 (2), in which not less than 50 percent of
17 the students are eligible for free or reduced
18 price meals under this Act; and

19 “(ii) that submits an application in
20 accordance with subparagraph (C); and

21 “(B) to the maximum extent practicable,
22 give the highest priority to schools with the
23 highest proportion of children who are eligible
24 for free or reduced price meals under this Act;

1 “(C) solicit applications from interested
2 schools that include—

3 “(i) information pertaining to the per-
4 centage of students enrolled in the school
5 submitting the application who are eligible
6 for free or reduced price school lunches
7 under this Act;

8 “(ii) a certification of support for par-
9 ticipation in the program signed by the
10 school food manager, the school principal,
11 and the district superintendent (or equiva-
12 lent positions, as determined by the
13 school); and

14 “(iii) such other information as may
15 be requested by the Secretary;

16 “(D) give priority to schools that submit a
17 plan for implementation of the program that in-
18 cludes a partnership with 1 or more entities
19 that provide non-Federal resources (including
20 entities representing the fruit and vegetable in-
21 dustry) for—

22 “(i) the acquisition, handling, pro-
23 motion, or distribution of fresh and dried
24 fruits and fresh vegetables; or

1 “(ii) other support that contributes to
2 the purposes of the program;

3 “(E) give priority to schools that provide
4 evidence of efforts to integrate activities carried
5 out under this section with other efforts to pro-
6 mote sound health and nutrition, reduce over-
7 weight and obesity, or promote physical activity;
8 and

9 “(F) ensure that each school selected is an
10 elementary school.

11 “(2) EXCEPTION.—Clause (i) of paragraph
12 (1)(A) shall not apply to a State if the State does
13 not have a sufficient number of schools that meet
14 the requirement of that clause.

15 “(3) CONSORTIA.—A consortia of schools may
16 apply for funding under this section.

17 “(e) NOTICE OF AVAILABILITY.—To be eligible to
18 participate in the program, a school shall widely publicize
19 within the school the availability of free fresh fruits and
20 vegetables under the program.

21 “(f) PER-STUDENT GRANT.—The per-student grant
22 provided to a school under this section shall be—

23 “(1) determined by a State agency; and

24 “(2) not less than \$50, nor more than \$75, an-
25 nually.

1 “(g) LIMITATION.—To the maximum extent prac-
2 ticable, each State agency shall ensure that in making
3 available to students the fruits and vegetables provided
4 under this section, schools participating in the program
5 offer the fruits and vegetables separately from meals oth-
6 erwise provided at the school under this Act or the Child
7 Nutrition Act of 1966 (42 U.S.C. 1771 et seq.).

8 “(h) SCHOOLS ON INDIAN RESERVATIONS.—The
9 Secretary shall ensure that not less than 100 of the
10 schools chosen to participate in the program are schools
11 operated on Indian reservations.

12 “(i) EVALUATION AND REPORTS.—

13 “(1) IN GENERAL.—The Secretary shall con-
14 duct an evaluation of the program, including a de-
15 termination as to whether children experienced, as a
16 result of participating in the program—

17 “(A) increased consumption of fruits and
18 vegetables;

19 “(B) other dietary changes, such as de-
20 creased consumption of less nutritious foods;
21 and

22 “(C) such other outcomes as are consid-
23 ered appropriate by the Secretary.

24 “(2) REPORT.—Not later than September 30,
25 2011, the Secretary shall submit to the Committee

1 on Education and Labor of the House of Represent-
2 atives and the Committee on Agriculture, Nutrition,
3 and Forestry of the Senate, a report that describes
4 the results of the evaluation under paragraph (1).

5 “(j) FUNDING.—

6 “(1) IN GENERAL.—Out of any funds in the
7 Treasury not otherwise appropriated, the Secretary
8 of the Treasury shall transfer to the Secretary to
9 carry out this section—

10 “(A) on October 1, 2007, \$225,000,000;
11 and

12 “(B) on October 1, 2008, and each Octo-
13 ber 1 thereafter, the amount made available for
14 the preceding fiscal year, as adjusted to reflect
15 changes for the 12-month period ending the
16 preceding June 30 in the Consumer Price Index
17 for All Urban Consumers published by the Bu-
18 reau of Labor Statistics of the Department of
19 Labor, for items other than food.

20 “(2) EVALUATION FUNDING.—On October 1,
21 2007, out of any funds in the Treasury not other-
22 wise appropriated, the Secretary of the Treasury
23 shall transfer to the Secretary to carry out the eval-
24 uation required under subsection (i), \$3,000,000, to
25 remain available until expended.

1 “(3) RECEIPT AND ACCEPTANCE.—The Sec-
2 retary shall be entitled to receive, shall accept, and
3 shall use to carry out this section any funds trans-
4 ferred for that purpose, without further appropria-
5 tion.

6 “(4) AUTHORIZATION OF APPROPRIATIONS.—In
7 addition to any other amounts made available to
8 carry out this section, there are authorized to be ap-
9 propriated such sums as are necessary to expand the
10 program established under this section.

11 “(5) ADMINISTRATIVE COSTS.—Of funds made
12 available to carry out this section for a fiscal year,
13 the Secretary may use not more than \$500,000 for
14 the administrative costs of carrying out the pro-
15 gram.

16 “(6) REALLOCATION.—

17 “(A) AMONG STATES.—The Secretary may
18 reallocate any amounts made available to carry
19 out this section that are not obligated or ex-
20 pended by a date determined by the Secretary.

21 “(B) WITHIN STATES.—A State that re-
22 ceives a grant under this section may reallocate
23 any amounts made available under the grant
24 that are not obligated or expended by a date de-
25 termined by the Secretary.”.

1 (b) CONFORMING AMENDMENTS.—Section 18 of the
2 Richard B. Russell National School Lunch Act (42 U.S.C.
3 1769) is amended—

4 (1) by striking subsection (g); and

5 (2) by redesignating subsections (h) through (k)
6 as subsections (g) through (j), respectively.

7 **SEC. 4904. BUY AMERICAN REQUIREMENTS.**

8 (a) FINDINGS.—Congress finds that—

9 (1) Federal law requires that commodities and
10 products purchased with Federal funds be, to the
11 maximum extent practicable, of domestic origin;

12 (2) Federal Buy American statutory require-
13 ments seek to ensure that purchases made with Fed-
14 eral funds benefit domestic producers; and

15 (3) the Richard B. Russell National School
16 Lunch Act (42 U.S.C. 1751 et seq.) requires the use
17 of domestic food products for all meals served under
18 the school lunch program, including food products
19 purchased with local funds.

20 (b) BUY AMERICAN STATUTORY REQUIREMENTS.—

21 It is the sense of Congress that the Secretary should un-
22 dertake training, guidance, and enforcement of the various
23 Buy American statutory requirements and regulations in
24 effect on the date of enactment of this Act, including re-
25 quirements of—

1 (1) the Richard B. Russell National School
2 Lunch Act (42 U.S.C. 1751 et seq.); and

3 (2) the Department of Defense fresh fruit and
4 vegetable distribution program.

5 **SEC. 4905. MINIMUM PURCHASES OF FRUITS, VEGETABLES,**
6 **AND NUTS THROUGH SECTION 32 TO SUP-**
7 **PORT DOMESTIC NUTRITION ASSISTANCE**
8 **PROGRAMS.**

9 (a) MINIMUM FUNDING FOR PURCHASES OF FRUITS,
10 VEGETABLES, AND NUTS.—In lieu of the purchases of
11 fruits, vegetables, and nuts required by section 10603 of
12 the Farm Security and Rural Investment Act of 2002 (7
13 U.S.C. 612c–4), the Secretary shall purchase fruits, vege-
14 tables, and nuts for the purpose of providing nutritious
15 foods for use in domestic nutrition assistance programs,
16 using, of the funds made available under section 32 of the
17 Act of August 24, 1935 (7 U.S.C. 612c), the following
18 amounts:

19 (1) \$390,000,000 for fiscal year 2008.

20 (2) \$393,000,000 for fiscal year 2009.

21 (3) \$399,000,000 for fiscal year 2010.

22 (4) \$403,000,000 for fiscal year 2011.

23 (5) \$406,000,000 for fiscal year 2012 and each
24 fiscal year thereafter.

1 (b) FORM OF PURCHASES.—Fruits, vegetables, and
2 nuts may be purchased under this section in frozen,
3 canned, dried, or fresh form.

4 (c) VALUE-ADDED PRODUCTS.—The Secretary may
5 offer value-added products containing fruits, vegetables, or
6 nuts under this section, taking into consideration—

7 (1) whether demand exists for the value-added
8 product; and

9 (2) the interests of entities that receive fruits,
10 vegetables, and nuts under this section.

11 **SEC. 4906. CONFORMING AMENDMENTS TO RENAMING OF**
12 **FOOD STAMP PROGRAM.**

13 (a) IN GENERAL.—

14 (1) Section 4 of the Food and Nutrition Act of
15 2007 (7 U.S.C. 2013) is amended in the section
16 heading by striking “FOOD STAMP PROGRAM” and
17 inserting “FOOD AND NUTRITION PROGRAM”.

18 (2) Section 5(h)(2)(A) of the Food and Nutri-
19 tion Act of 2007 (7 U.S.C. 2014(h)(2)(A)) is
20 amended by striking “Food Stamp Disaster Task
21 Force” and inserting “Food and Nutrition Disaster
22 Task Force”.

23 (3) Section 6 of the Food and Nutrition Act of
24 2007 (7 U.S.C. 2015) is amended—

1 (A) in subsection (d)(3), by striking “eligi-
2 ble for food stamps” and inserting “eligible to
3 receive food and nutrition assistance”;

4 (B) in subsection (g), by striking “food
5 stamps” and inserting “food and nutrition as-
6 sistance”;

7 (C) in subsection (j), in the subsection
8 heading, by striking “FOOD STAMP” and insert-
9 ing “FOOD AND NUTRITION”; and

10 (D) in subsection (o)—

11 (i) in paragraph (2), by striking “food
12 stamp benefits” and inserting “food and
13 nutrition assistance”; and

14 (ii) in paragraph (6)—

15 (I) in subparagraph (A)—

16 (aa) in clause (i), by striking
17 “food stamps” and inserting
18 “food and nutrition assistance”;
19 and

20 (bb) in clause (ii)—

21 (AA) in the matter pre-
22 ceding subclause (I), by
23 striking “a food stamp re-
24 cipient” and inserting “a
25 member of a household that

1 receives food and nutrition
2 assistance”; and

3 (BB) by striking “food
4 stamp benefits” each place
5 it appears and inserting
6 “food and nutrition assist-
7 ance”; and

8 (II) in subparagraphs (D) and
9 (E), by striking “food stamp recipi-
10 ents” each place it appears and in-
11 serting “members of households that
12 receive food and nutrition assistance”.

13 (4) Section 7 of the Food and Nutrition Act of
14 2007 (7 U.S.C. 2016) (as amended by section
15 4202(a)(11)) is amended—

16 (A) in subsection (h)—

17 (i) in paragraph (3)(B)(ii), by striking
18 “food stamp households” and inserting
19 “households receiving food and nutrition
20 assistance”; and

21 (ii) in paragraph (7), by striking
22 “food stamp issuance” and inserting “food
23 and nutrition assistance issuance”; and

24 (B) in subsection (j)—

1 (i) in paragraph (2), by striking “food
2 stamp benefits” and inserting “food and
3 nutrition assistance benefits”; and

4 (ii) in paragraph (3), by striking
5 “food stamp retail” and inserting “food
6 and nutrition assistance retail”.

7 (5) Section 9(b)(1) of that Food and Nutrition
8 Act of 2007 (7 U.S.C. 2018(b)(1)) is amended by
9 striking “food stamp households” and inserting
10 “households that receive food and nutrition assist-
11 ance”.

12 (6) Section 11 of the Food and Nutrition Act
13 of 2007 (7 U.S.C. 2020) (as amended by section
14 4202(b)(9)(B)(III)) is amended—

15 (A) in subsection (e)—

16 (i) in paragraph (2)—

17 (I) in subparagraph (A), by strik-
18 ing “food stamp offices” and inserting
19 “food and nutrition assistance of-
20 fices”; and

21 (II) in subparagraph (B)—

22 (aa) in clause (iii), by strik-
23 ing “food stamp office” and in-
24 serting “food and nutrition as-
25 sistance office”;

1 (bb) in clause (v)(II), by
2 striking “food stamps” and in-
3 serting “food and nutrition as-
4 sistance”; and

5 (cc) in clause (vii), by strik-
6 ing “food stamp offices” and in-
7 serting “food and nutrition as-
8 sistance offices”;

9 (ii) in paragraph (14), by striking
10 “food stamps” and inserting “food and nu-
11 trition assistance”;

12 (iii) in paragraph (15), by striking
13 “food stamps” and inserting “food and nu-
14 trition assistance”; and

15 (iv) in paragraph (23)—

16 (I) in the matter preceding sub-
17 paragraph (A), by striking “Simplified
18 Food Stamp Program” and inserting
19 “Simplified Food and Nutrition As-
20 sistance Program”; and

21 (II) in subparagraph (A), by
22 striking “food stamp benefits” and in-
23 serting “food and nutrition assist-
24 ance”;

1 (B) in subsection (k), by striking “may
2 issue, upon request by the State agency, food
3 stamps” and inserting “may provide, on request
4 by the State agency, food and nutrition assist-
5 ance”;

6 (C) in subsection (l), by striking “food
7 stamp participation” and inserting “food and
8 nutrition program participation”;

9 (D) in subsections (q) and (r), in the sub-
10 section headings, by striking “FOOD STAMPS”
11 each place it appears and inserting “FOOD AND
12 NUTRITION ASSISTANCE”;

13 (E) in subsection (s), by striking “food
14 stamp benefits” each place it appears and in-
15 serting “food and nutrition assistance”; and

16 (F) in subsection (t)(1)—

17 (i) in subparagraph (A), by striking
18 “food stamp application” and inserting
19 “food and nutrition assistance applica-
20 tion”; and

21 (ii) in subparagraph (B), by striking
22 “food stamp benefits” and inserting “food
23 and nutrition assistance”.

24 (7) Section 14(b) of the Food and Nutrition
25 Act of 2007 (7 U.S.C. 2023(b)) is amended by strik-

1 ing “food stamp allotments” and inserting “food and
2 nutrition assistance”.

3 (8) Section 16 of the Food and Nutrition Act
4 of 2007 (7 U.S.C. 2025) is amended—

5 (A) in subsection (a)(4), by striking “food
6 stamp informational activities” and inserting
7 “informational activities relating to the food
8 and nutrition program”;

9 (B) in subsection (c)(9)(C), by striking
10 “food stamp caseload” and inserting “the case-
11 load under the food and nutrition program”;
12 and

13 (C) in subsection (h)(1)(E)(i), by striking
14 “food stamp recipients” and inserting “house-
15 holds receiving food and nutrition assistance”.

16 (9) Section 17 of the Food and Nutrition Act
17 of 2007 (7 U.S.C. 2026) is amended—

18 (A) in subsection (a)(2), by striking “food
19 stamp benefits” each place it appears and in-
20 serting “food and nutrition assistance benefits”;

21 (B) in subsection (b)—

22 (i) in paragraph (1)—

23 (I) in subparagraph (A), by strik-
24 ing “food stamp benefits” and insert-

1 ing “food and nutrition assistance”;
2 and

3 (II) in subparagraph (B)—

4 (aa) in clause (ii)(II), by
5 striking “food stamp recipients”
6 and inserting “food and nutrition
7 assistance recipients”;

8 (bb) in clause (iii)(I), by
9 striking “the State’s food stamp
10 households” and inserting “the
11 number of households in the
12 State receiving food and nutrition
13 assistance”; and

14 (cc) in clause (iv)(IV)(bb),
15 by striking “food stamp deduc-
16 tions” and inserting “food and
17 nutrition assistance deductions”;

18 (ii) in paragraph (2), by striking
19 “food stamp benefits” and inserting “food
20 and nutrition assistance”; and

21 (iii) in paragraph (3)—

22 (I) in subparagraph (A), by strik-
23 ing “food stamp employment” and in-
24 serting “food and nutrition program
25 employment”;

1 (II) in subparagraph (B), by
2 striking “food stamp recipients” and
3 inserting “food and nutrition assist-
4 ance recipients”;

5 (III) in subparagraph (C), by
6 striking “food stamps” and inserting
7 “food and nutrition assistance”; and

8 (IV) in subparagraph (D), by
9 striking “food stamp benefits” and in-
10 sserting “food and nutrition assistance
11 benefits”;

12 (C) in subsection (c), by striking “food
13 stamps” and inserting “food and nutrition as-
14 sistance”;

15 (D) in subsection (d)—

16 (i) in paragraph (1)(B), by striking
17 “food stamp benefits” and inserting “food
18 and nutrition assistance”;

19 (ii) in paragraph (2)—

20 (I) in subparagraph (A), by strik-
21 ing “food stamp allotments” each
22 place it appears and inserting “food
23 and nutrition assistance”; and

24 (II) in subparagraph (C)(ii), by
25 striking “food stamp benefit” and in-

1 serting “food and nutrition assist-
2 ance”; and

3 (iii) in paragraph (3)(E), by striking
4 “food stamp benefits” and inserting “food
5 and nutrition assistance”;

6 (E) in subsections (e) and (f), by striking
7 “food stamp benefits” each place it appears and
8 inserting “food and nutrition assistance”;

9 (F) in subsection (g), in the first sentence,
10 by striking “receipt of food stamp” and insert-
11 ing “receipt of food and nutrition assistance”;
12 and

13 (G) in subsection (j), by striking “food
14 stamp agencies” and inserting “food and nutri-
15 tion program agencies”.

16 (10) Section 18(a)(3)(A)(ii) of the Food and
17 Nutrition Act of 2007 (7 U.S.C. 2027(a)(3)(A)(ii))
18 is amended by striking “food stamps” and inserting
19 “food and nutrition assistance”.

20 (11) Section 21(d)(3) of the Food and Nutri-
21 tion Act of 2007 (7 U.S.C. 2030(d)(3)) is amended
22 by striking “food stamp benefits” and inserting
23 “food and nutrition assistance”.

24 (12) Section 22 of the Food and Nutrition Act
25 of 2007 (7 U.S.C. 2031) is amended—

1 (A) in the section heading, by striking
2 “FOOD STAMP PORTION OF MINNESOTA FAMILY
3 INVESTMENT PLAN” and inserting “FOOD AND
4 NUTRITION ASSISTANCE PORTION OF MIN-
5 NESOTA FAMILY INVESTMENT PROJECT”;

6 (B) in subsections (b)(12) and (d)(3), by
7 striking “the Food Stamp Act, as amended,”
8 each place it appears and inserting “this Act”;
9 and

10 (C) in subsection (g)(1), by striking “the
11 Food Stamp Act of 1977 (7 U.S.C. 2011 et
12 seq.)” and inserting “this Act”.

13 (13) Section 26 of the Food and Nutrition Act
14 of 2007 (7 U.S.C. 2035) is amended—

15 (A) in the section heading, by striking
16 “SIMPLIFIED FOOD STAMP PROGRAM” and in-
17 serting “SIMPLIFIED FOOD AND NUTRITION
18 PROGRAM”; and

19 (B) in subsection (b), by striking “sim-
20 plified food stamp program” and inserting
21 “simplified food and nutrition program”.

22 (b) CONFORMING CROSS-REFERENCES.—

23 (1) IN GENERAL.—Each provision of law de-
24 scribed in paragraph (2) is amended (as applica-
25 ble)—

1 (A) by striking “food stamp program”
2 each place it appears and inserting “food and
3 nutrition program”;

4 (B) by striking “Food Stamp Act of 1977”
5 each place it appears and inserting “Food and
6 Nutrition Act of 2007”;

7 (C) by striking “Food Stamp Act” each
8 place it appears and inserting “Food and Nutri-
9 tion Act of 2007”;

10 (D) by striking “food stamp” each place it
11 appears and inserting “food and nutrition as-
12 sistance”;

13 (E) by striking “food stamps” each place
14 it appears and inserting “food and nutrition as-
15 sistance”;

16 (F) in each applicable title, subtitle, chap-
17 ter, subchapter, and section heading, by strik-
18 ing “**FOOD STAMP**” each place it appears and
19 inserting “**FOOD AND NUTRITION ASSIST-**
20 **ANCE**”;

21 (G) in each applicable subsection and ap-
22 propriations heading, by striking “**FOOD**
23 **STAMP**” each place it appears and inserting
24 “**FOOD AND NUTRITION ASSISTANCE**”;

1 (H) in each applicable heading other than
2 a title, subtitle, chapter, subchapter, section,
3 subsection, or appropriations heading, by strik-
4 ing “FOOD STAMP” each place it appears and
5 inserting “FOOD AND NUTRITION ASSISTANCE”;

6 (I) in each applicable title, subtitle, chap-
7 ter, subchapter, and section heading, by strik-
8 ing “**FOOD STAMPS**” each place it appears
9 and inserting “**FOOD AND NUTRITION AS-**
10 **SISTANCE**”;

11 (J) in each applicable subsection and ap-
12 propriations heading, by striking “FOOD
13 STAMPS” each place it appears and inserting
14 “FOOD AND NUTRITION ASSISTANCE”; and

15 (K) in each applicable heading other than
16 a title, subtitle, chapter, subchapter, section,
17 subsection, or appropriations heading, by strik-
18 ing “FOOD STAMPS” each place it appears and
19 inserting “FOOD AND NUTRITION ASSISTANCE”.

20 (2) PROVISIONS OF LAW.—The provisions of
21 law referred to in paragraph (1) are the following:

22 (A) The Hunger Prevention Act of 1988
23 (Public Law 100–435; 102 Stat. 1645).

1 (B) The Food Stamp Program Improve-
2 ments Act of 1994 (Public Law 103–225; 108
3 Stat. 106).

4 (C) Title IV of the Farm Security and
5 Rural Investment Act of 2002 (Public Law
6 107–171; 116 Stat. 305).

7 (D) Section 2 of Public Law 103–205 (7
8 U.S.C. 2012 note).

9 (E) Section 807(b) of the Stewart B.
10 McKinney Homeless Assistance Act (7 U.S.C.
11 2014 note; Public Law 100–77).

12 (F) The Electronic Benefit Transfer Inter-
13 operability and Portability Act of 2000 (Public
14 Law 106–171; 114 Stat. 3).

15 (G) Section 502(b) of the Agricultural Re-
16 search, Extension, and Education Reform Act
17 of 1998 (7 U.S.C. 2025 note; Public Law 105–
18 185).

19 (H) The National Agricultural Research,
20 Extension, and Teaching Policy Act of 1977 (7
21 U.S.C. 3101 et seq.).

22 (I) The Emergency Food Assistance Act of
23 1983 (7 U.S.C. 7501 et seq.).

24 (J) The Immigration and Nationality Act
25 (8 U.S.C. 1101 et seq.).

1 (K) Section 8119 of the Department of
2 Defense Appropriations Act, 1999 (10 U.S.C.
3 113 note; Public Law 105–262).

4 (L) The Armored Car Industry Reciprocity
5 Act of 1993 (15 U.S.C. 5901 et seq.).

6 (M) Title 18, United States Code.

7 (N) The Higher Education Act of 1965
8 (20 U.S.C. 1001 et seq.).

9 (O) The Internal Revenue Code of 1986.

10 (P) Section 650 of the Treasury and Gen-
11 eral Government Appropriations Act, 2000 (26
12 U.S.C. 7801 note; Public Law 106–58).

13 (Q) The Wagner-Peysner Act (29 U.S.C.
14 49 et seq.).

15 (R) The Workforce Investment Act of
16 1998 (29 U.S.C. 2801 et seq.).

17 (S) Title 31, United States Code.

18 (T) Title 37, United States Code.

19 (U) The Public Health Service Act (42
20 U.S.C. 201 et seq.).

21 (V) Titles II through XIX of the Social Se-
22 curity Act (42 U.S.C. 401 et seq.).

23 (W) Section 406 of the Family Support
24 Act of 1988 (Public Law 100–485; 102 Stat.
25 2400).

1 (X) Section 232 of the Social Security Act
2 Amendments of 1994 (42 U.S.C. 1314a).

3 (Y) The United States Housing Act of
4 1937 (42 U.S.C. 1437 et seq.).

5 (Z) The Richard B. Russell National
6 School Lunch Act (42 U.S.C. 1751 et seq.).

7 (AA) The Child Nutrition Act of 1966 (42
8 U.S.C. 1771 et seq.).

9 (BB) The Older Americans Act of 1965
10 (42 U.S.C. 3001 et seq.).

11 (CC) Section 208 of the Intergovernmental
12 Personnel Act of 1970 (42 U.S.C. 4728).

13 (DD) The Robert T. Stafford Disaster Re-
14 lief and Emergency Assistance Act (42 U.S.C.
15 5121 et seq.).

16 (EE) The Low-Income Home Energy As-
17 sistance Act of 1981 (42 U.S.C. 8621 et seq.).

18 (FF) Section 658K of the Child Care and
19 Development Block Grant Act of 1990 (42
20 U.S.C. 9858i).

21 (GG) The Alaska Native Claims Settle-
22 ment Act (43 U.S.C. 1601 et seq.).

23 (HH) Public Law 95–348 (92 Stat. 487).

24 (II) The Agriculture and Food Act of 1981
25 (Public Law 97–98; 95 Stat. 1213).

1 (JJ) The Disaster Assistance Act of 1988
2 (Public Law 100–387; 102 Stat. 924).

3 (KK) The Food, Agriculture, Conservation,
4 and Trade Act of 1990 (Public Law 101–624;
5 104 Stat. 3359).

6 (LL) The Cranston-Gonzalez National Af-
7 fordable Housing Act (Public Law 101–625;
8 104 Stat. 4079).

9 (MM) Section 388 of the Persian Gulf
10 Conflict Supplemental Authorization and Per-
11 sonnel Benefits Act of 1991 (Public Law 102–
12 25; 105 Stat. 98).

13 (NN) The Food, Agriculture, Conservation,
14 and Trade Act Amendments of 1991 (Public
15 Law 102–237; 105 Stat. 1818).

16 (OO) The Act of March 26, 1992 (Public
17 Law 102–265; 106 Stat. 90).

18 (PP) Public Law 105–379 (112 Stat.
19 3399).

20 (QQ) Section 101(c) of the Emergency
21 Supplemental Act, 2000 (Public Law 106–246;
22 114 Stat. 528).

23 (c) REFERENCES.—Any reference in any Federal,
24 State, tribal, or local law (including regulations) to the
25 “food stamp program” established under the Food and

1 Nutrition Act of 2007 (7 U.S.C. 2011 et seq.) shall be
2 considered to be a reference to the “food and nutrition
3 program” established under that Act.

4 **SEC. 4907. EFFECTIVE AND IMPLEMENTATION DATES.**

5 (a) GENERAL EFFECTIVE DATE.—Except as other-
6 wise provided in this title, this title and the amendments
7 made by this title take effect on April 1, 2008.

8 (b) IMPLEMENTATION OF IMPROVEMENTS TO PRO-
9 GRAM BENEFITS.—

10 (1) IN GENERAL.—A State agency may imple-
11 ment the amendments made by part II of subtitle A
12 beginning on a date (as determined by the State
13 agency) during the period beginning on April 1,
14 2008, and ending on October 1, 2008.

15 (2) CERTIFICATION PERIOD.—At the option of
16 a State agency, the State agency may implement 1
17 or more of the amendments made by sections 4103
18 and 4104 for a certification period that begins not
19 earlier than the implementation date determined by
20 the State under paragraph (1).

21 **SEC. 4908. APPLICATION.**

22 (a) IN GENERAL.—Notwithstanding any other provi-
23 sion of this title or amendments made by this title, the
24 amendments made by the provisions described in sub-
25 section (b) shall be in effect during the period beginning

1 on the date of enactment of this Act (or such other effective date as is otherwise provided in this title) and ending
2 on September 30, 2012.

3 (b) PROVISIONS.—The provisions referred to in subsection (a) are—

- 4 (1) section 4101;
5 (2) section 4102;
6 (3) section 4103;
7 (4) section 4104;
8 (5) section 4107;
9 (6) section 4108;
10 (7) section 4109;
11 (8) section 4110(a)(2);
12 (9) section 4208;
13 (10) section 4701(a)(3);
14 (11) section 4801(g); and
15 (12) section 4903.

16 **TITLE V—CREDIT**
17 **Subtitle A—Farm Ownership Loans**

18 **SEC. 5001. DIRECT LOANS.**

19 Section 302 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922) is amended—

- 20 (1) by striking the section designation and
21 heading and all that follows through “(a) The Secretary is authorized to” and inserting the following:

1 **“SEC. 302. PERSONS ELIGIBLE FOR REAL ESTATE LOANS.**

2 “(a) IN GENERAL.—The Secretary may”; and

3 (2) in subsection (a)(2), by inserting “, taking
4 into consideration all farming experience of the ap-
5 plicant, without regard to any lapse between farming
6 experiences” after “farming operations”.

7 **SEC. 5002. PURPOSES OF LOANS.**

8 Section 303(a)(1) of the Consolidated Farm and
9 Rural Development Act (7 U.S.C. 1923(a)(1)) is amend-
10 ed—

11 (1) in subparagraph (D), by striking “or” at
12 the end;

13 (2) in subparagraph (E), by striking the period
14 at the end and inserting “; or”; and

15 (3) by adding at the end the following:

16 “(F) refinancing guaranteed farm owner-
17 ship loans of qualified beginning farmers and
18 ranchers under this subtitle that were used to
19 carry out purposes described in subparagraphs
20 (A) through (E).”.

21 **SEC. 5003. SOIL AND WATER CONSERVATION AND PROTEC-**
22 **TION.**

23 Section 304 of the Consolidated Farm and Rural De-
24 velopment Act (7 U.S.C. 1924) is amended—

25 (1) in subsection (a)—

1 (A) in paragraph (4), by inserting “or con-
2 version to a certified organic farm in accord-
3 ance with the Organic Foods Production Act of
4 1990 (7 U.S.C. 6501 et seq.)” after “systems”;

5 (B) in paragraph (5), by striking “and” at
6 the end;

7 (C) by redesignating paragraph (6) as
8 paragraph (7); and

9 (D) by inserting after paragraph (5) the
10 following:

11 “(6) the implementation of 1 or more practices
12 under the environmental quality section of the com-
13 prehensive stewardship incentives program estab-
14 lished under subchapter A of chapter 6 of subtitle D
15 of title XII of the Food Security Act of 1985; and”;
16 and

17 (2) by striking subsections (b) and (c) and in-
18 serting the following:

19 “(b) **PRIORITY.**—In making or guaranteeing loans
20 under this section, the Secretary shall give priority to—

21 “(1) qualified beginning farmers or ranchers
22 and socially disadvantaged farmers or ranchers;

23 “(2) owners or tenants who use the loans to
24 convert to sustainable or organic agricultural pro-
25 duction systems;

1 “(3) producers who use the loans to build con-
2 servation structures or establish conservation prac-
3 tices to comply with section 1212 of the Food Secu-
4 rity Act of 1985 (16 U.S.C. 3812); and

5 “(4) producers who have a certification from
6 the Natural Resources Conservation Service issued
7 pursuant to section 1240B(d) of the Food Security
8 Act of 1985.”.

9 **SEC. 5004. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP**
10 **LOANS.**

11 Section 305(a)(2) of the Consolidated Farm and
12 Rural Development Act (7 U.S.C. 1925(a)(2)) is amended
13 by striking “\$200,000” and inserting “\$300,000”.

14 **SEC. 5005. DOWN PAYMENT LOAN PROGRAM.**

15 Section 310E of the Consolidated Farm and Rural
16 Development Act (7 U.S.C. 1935) is amended—

17 (1) in subsection (a)(1), by inserting “and so-
18 cially disadvantaged farmers and ranchers” after
19 “ranchers”;

20 (2) in subsection (b)—

21 (A) by striking paragraph (1) and insert-
22 ing the following:

23 “(1) PRINCIPAL.—

24 “(A) PURCHASE PRICE OF \$500,000 OR
25 LESS.—Each loan made under this section for

1 a purchase price that is \$500,000 or less, shall
2 be in an amount that does not exceed 45 per-
3 cent of the lesser of—

4 “(i) the purchase price; or

5 “(ii) the appraised value of the farm
6 or ranch to be acquired.

7 “(B) PURCHASE PRICE GREATER THAN
8 \$500,000.—Each loan made under this section
9 for a purchase price that is greater than
10 \$500,000, shall be in an amount that does not
11 exceed 45 percent of the lesser of—

12 “(i) \$500,000; or

13 “(ii) the appraised value of the farm
14 or ranch to be acquired.”;

15 (B) by striking paragraph (2) and insert-
16 ing the following:

17 “(2) INTEREST RATE.—The interest rate on
18 any loan made by the Secretary under this section
19 shall be a rate equal to the greater of—

20 “(A) the difference obtained by subtracting
21 400 basis points from the interest rate for reg-
22 ular farm ownership loans under this subtitle;
23 or

24 “(B) 2 percent.”; and

1 (C) in paragraph (3), by striking “15” and
2 inserting “20”;

3 (3) in subsection (c)—

4 (A) in paragraph (1), by striking “10 per-
5 cent” and inserting “5 percent”;

6 (B) by striking paragraph (2);

7 (C) by redesignating paragraph (3) as
8 paragraph (2); and

9 (D) in subparagraph (B) of paragraph (2)
10 (as so redesignated), by striking “15-year” and
11 inserting “20-year”; and

12 (4) in subsection (d)—

13 (A) in paragraph (3), by striking the
14 “and” at the end;

15 (B) in paragraph (4), by striking the pe-
16 riod at the end and inserting “; and”; and

17 (C) by adding at the end the following:

18 “(5) establish annual performance goals to pro-
19 mote the use of the down payment loan program and
20 other joint financing participation loans as the pre-
21 ferred choice for direct real estate loans made by
22 any lender to a qualified beginning farmer or ranch-
23 er or socially disadvantaged farmer or rancher.”.

1 **SEC. 5006. BEGINNING FARMER OR RANCHER CONTRACT**
2 **LAND SALES PROGRAM.**

3 Section 310F of the Consolidated Farm and Rural
4 Development Act (7 U.S.C. 1936) is amended to read as
5 follows:

6 **“SEC. 310F. BEGINNING FARMER OR RANCHER CONTRACT**
7 **LAND SALES PROGRAM.**

8 “(a) IN GENERAL.—Subject to subsection (c), the
9 Secretary shall, in accordance with each condition de-
10 scribed in subsection (b), provide a prompt payment guar-
11 antee for any loan made by a private seller of farmland
12 or ranch land to a qualified beginning farmer or rancher
13 on a contract land sale basis.

14 “(b) CONDITIONS FOR GUARANTEE.—To receive a
15 guarantee for a loan by the Secretary under subsection
16 (a)—

17 “(1) the qualified beginning farmer or rancher
18 shall—

19 “(A) on the date on which the contract
20 land sale that is the subject of the loan is com-
21 plete, own and operate the farmland or ranch
22 land that is the subject of the contract land
23 sale;

24 “(B) on the date on which the contract
25 land sale that is the subject of the loan is com-
26 menced—

1 “(i) have a credit history that—

2 “(I) includes a record of satisfac-
3 tory debt repayment, as determined
4 by the Secretary; and

5 “(II) is acceptable to the Sec-
6 retary; and

7 “(ii) demonstrate to the Secretary
8 that the qualified beginning farmer or
9 rancher is unable to obtain sufficient credit
10 without a guarantee to finance any actual
11 need of the qualified beginning farmer or
12 rancher at a reasonable rate or term;

13 “(2) the loan made by the private seller of
14 farmland or ranch land to the qualified beginning
15 farmer or rancher on a contract land sale basis shall
16 meet applicable underwriting criteria, as determined
17 by the Secretary; and

18 “(3) to carry out the loan—

19 “(A) a commercial lending institution shall
20 agree to serve as an escrow agent; or

21 “(B) the private seller of farmland or
22 ranch land, in cooperation with the qualified be-
23 ginning farmer or rancher, shall use an appro-
24 priate alternate arrangement, as determined by
25 the Secretary.

1 “(c) LIMITATIONS.—

2 “(1) DOWN PAYMENT.—The Secretary shall not
3 guarantee a loan made by a private seller of farm-
4 land or ranch land to a qualified beginning farmer
5 or rancher under subsection (a) if the contribution
6 of the qualified beginning farmer or rancher to the
7 down payment for the farmland or ranch land that
8 is the subject of the contract land sale would be an
9 amount less than 5 percent of the purchase price of
10 the farmland or ranch land.

11 “(2) MAXIMUM PURCHASE PRICE.—The Sec-
12 retary shall not guarantee a loan made by a private
13 seller of farmland or ranch land to a qualified begin-
14 ning farmer or rancher under subsection (a) if the
15 purchase price or the appraisal value of the farm-
16 land or ranch land that is the subject of the contract
17 land sale is an amount greater than \$500,000.

18 “(d) PERIOD OF GUARANTEE.—The Secretary shall
19 guarantee a loan made by a private seller of farmland or
20 ranch land to a qualified beginning farmer or rancher
21 under subsection (a) for a 10-year period beginning on
22 the date on which the Secretary guarantees the loan.

23 “(e) PROMPT PAYMENT GUARANTEE.—The Sec-
24 retary shall provide to a private seller of farmland or
25 ranch land who makes a loan to a qualified beginning

1 farmer or rancher that is guaranteed by the Secretary,
2 a prompt payment guarantee, which shall cover—

3 “(1) 3 amortized annual installments; or

4 “(2) an amount equal to 3 annual installments
5 (including an amount equal to the total cost of any
6 tax and insurance incurred during the period cov-
7 ered by the annual installments).”.

8 **Subtitle B—Operating Loans**

9 **SEC. 5101. FARMING EXPERIENCE AS ELIGIBILITY RE-** 10 **QUIREMENT.**

11 Section 311 of the Consolidated Farm and Rural De-
12 velopment Act (7 U.S.C. 1941) is amended—

13 (1) by striking the section designation and all
14 that follows through “(a) The Secretary is author-
15 ized to” and inserting the following:

16 **“SEC. 311. PERSONS ELIGIBLE FOR LOANS.**

17 “(a) IN GENERAL.—The Secretary may”;

18 (2) in subsection (a)(2), by inserting “, taking
19 into consideration all farming experience of the ap-
20 plicant, without regard to any lapse between farming
21 experiences” after “farming operations”; and

22 (3) in subsection (c)(1)(C), by striking “6” and
23 inserting “7”.

1 **SEC. 5102. LIMITATIONS ON AMOUNT OF OPERATING**
2 **LOANS.**

3 Section 313(a)(1) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1943(a)(1)) is amended
5 by striking “\$200,000” and inserting “\$300,000”.

6 **SEC. 5103. LIMITATION ON PERIOD BORROWERS ARE ELIGI-**
7 **BLE FOR GUARANTEED ASSISTANCE.**

8 Section 319 of the Consolidated Farm and Rural De-
9 velopment Act (7 U.S.C. 1949) is repealed.

10 **Subtitle C—Administrative**
11 **Provisions**

12 **SEC. 5201. BEGINNING FARMER AND RANCHER INDIVIDUAL**
13 **DEVELOPMENT ACCOUNTS PILOT PROGRAM.**

14 The Consolidated Farm and Rural Development Act
15 is amended by adding after section 333A (7 U.S.C. 1983a)
16 the following:

17 **“SEC. 333B. BEGINNING FARMER AND RANCHER INDI-**
18 **VIDUAL DEVELOPMENT ACCOUNTS PILOT**
19 **PROGRAM.**

20 “(a) DEFINITIONS.—In this section:

21 “(1) DEMONSTRATION PROGRAM.—The term
22 ‘demonstration program’ means a demonstration
23 program carried out by a qualified entity under the
24 pilot program established in subsection (b)(1).

1 “(2) ELIGIBLE PARTICIPANT.—The term ‘eligi-
2 ble participant’ means a qualified beginning farmer
3 or rancher that—

4 “(A) lacks significant financial resources
5 or assets; and

6 “(B) has an income that is less than—

7 “(i) 80 percent of the median income
8 of the area in which the eligible participant
9 is located; or

“(ii) 200 percent of the most recent
annual Federal Poverty Income Guidelines
published by the Department of Health
and Human Services for that area.

14 “(3) INDIVIDUAL DEVELOPMENT ACCOUNT.—
15 The term ‘individual development account’ means a
16 savings account described in subsection (b)(4)(A).

17 “(4) QUALIFIED ENTITY.—

18 “(A) IN GENERAL.—The term ‘qualified
19 entity’ means—

20 “(i) 1 or more organizations—

21 “(I) described in section
22 501(c)(3) of the Internal Revenue
23 Code of 1986; and

24 “(II) exempt from taxation under
25 section 501(a) of such Code; or

1 “(ii) a State, local, or tribal govern-
2 ment submitting an application jointly with
3 an organization described in clause (i).

4 “(B) NO PROHIBITION ON COLLABORA-
5 TION.—An organization described in subpara-
6 graph (A)(i) may collaborate with a financial
7 institution or for-profit community development
8 corporation to carry out the purposes of this
9 section.

10 “(b) PILOT PROGRAM.—

11 “(1) IN GENERAL.—The Secretary shall estab-
12 lish a pilot program to be known as the ‘New Farm-
13 er Individual Development Accounts Pilot Program’
14 under which the Secretary shall work through quali-
15 fied entities to establish demonstration programs—

16 “(A) of at least 5 years in duration; and

17 “(B) in at least 15 States.

18 “(2) COORDINATION.—The Secretary shall op-
19 erate the pilot program through, and in coordination
20 with the farm loan programs of, the Farm Service
21 Agency.

22 “(3) RESERVE FUNDS.—

23 “(A) IN GENERAL.—Each demonstration
24 program shall establish a reserve fund con-
25 sisting of a non-Federal match of 25 percent of

1 the total amount of the grant awarded to the
2 demonstration program under this section.

3 “(B) FEDERAL FUNDS.—After a dem-
4 onstration program has deposited in the reserve
5 fund the non-Federal matching funds described
6 in subparagraph (A), the Secretary shall pro-
7 vide to the demonstration program for deposit
8 in the reserve fund the total amount of the
9 grant awarded under this section.

10 “(C) USE OF FUNDS.—Of funds deposited
11 in a reserve fund under subparagraphs (A) and
12 (B), a demonstration program—

13 “(i) may use up to 20 percent for ad-
14 ministrative expenses; and

15 “(ii) shall use the remainder to make
16 matching awards described in paragraph
17 (4)(B)(ii)(I).

18 “(D) INTEREST.—Any interest earned on
19 amounts in a reserve fund established under
20 subparagraph (A) may be used as additional
21 matching funds for, or to administer, the dem-
22 onstration program.

23 “(E) GUIDANCE.—The Secretary shall im-
24 plement guidance regarding the investment re-

1 quirements of reserve funds established under
2 this paragraph.

3 “(4) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

4 “(A) IN GENERAL.—A qualified entity re-
5 ceiving a grant under this section shall establish
6 and administer an individual development ac-
7 count for each eligible participant.

8 “(B) CONTRACT REQUIREMENTS.—To be
9 eligible to receive funds under this section from
10 a qualified entity, each eligible participant shall
11 enter into a contract with a qualified entity
12 under which—

13 “(i) the eligible participant shall
14 agree—

15 “(I) to deposit a certain amount
16 of funds of the eligible participant in
17 a personal savings account, as pre-
18 scribed by the contractual agreement
19 between the eligible participant and
20 the qualified entity; and

21 “(II) to use the funds described
22 in subclause (I) only for 1 or more eli-
23 gible expenditures described in para-
24 graph (5)(A); and

25 “(ii) the qualified entity shall agree—

1 “(I) to deposit not later than 1
2 month after a deposit described in
3 clause (i)(I) at least a 100-percent,
4 and up to a 300-percent, match of
5 that amount into the individual devel-
6 opment account established for the el-
7 igible participant;

8 “(II) with uses of funds proposed
9 by the eligible participant; and

10 “(III) to complete qualified fi-
11 nancial training.

12 “(C) LIMITATION.—

13 “(i) IN GENERAL.—A qualified entity
14 administering a demonstration program
15 may provide not more than \$9,000 for
16 each fiscal year in matching funds to any
17 eligible participant.

18 “(ii) TREATMENT OF AMOUNT.—An
19 amount provided under clause (i) shall not
20 be considered to be a gift or loan for mort-
21 gage purposes.

22 “(D) INTEREST.—Any interest earned on
23 amounts in an individual development account
24 shall be compounded with amounts otherwise

1 deposited in the individual development ac-
2 count.

3 “(5) ELIGIBLE EXPENDITURES.—

4 “(A) IN GENERAL.—An eligible expendi-
5 ture described in this subparagraph is an ex-
6 penditure—

7 “(i) to purchase farmland or make a
8 down payment on an accepted purchase
9 offer for farmland;

10 “(ii) to make mortgage payments for
11 up to 180 days after the date of purchase
12 of farmland;

13 “(iii) to purchase farm equipment or
14 production, storage, or marketing infra-
15 structure or buy into an existing value-
16 added business;

17 “(iv) to purchase breeding stock or
18 fruit or nut trees or trees to harvest for
19 timber;

20 “(v) to pay training or mentorship ex-
21 penses to facilitate specific entrepreneurial
22 agricultural activities; and

23 “(vi) for other similar expenditures,
24 as determined by the Secretary.

25 “(B) TIMING.—

1 “(i) IN GENERAL.—An eligible ex-
2 penditure may be made at any time during
3 the 2-year period beginning on the date on
4 which the last matching funds are provided
5 under paragraph (4)(B)(ii)(I).

6 “(ii) UNEXPENDED FUNDS.—Funds
7 remaining in an individual development ac-
8 count after the period described in clause
9 (i) shall revert to the reserve fund of the
10 demonstration program.

11 “(C) PROHIBITION.—An eligible partici-
12 pant that uses funds in an individual develop-
13 ment account for an eligible expenditure de-
14 scribed in subparagraph (A)(viii) shall not be
15 eligible to receive funds for a substantially simi-
16 lar purpose (as determined by the Secretary)
17 under the national organic program established
18 under the Organic Foods Production Act of
19 1990 (7 U.S.C. 6501 et seq.).

20 “(c) APPLICATIONS.—

21 “(1) ANNOUNCEMENT OF DEMONSTRATION
22 PROGRAMS.—Not later than 180 days after the date
23 of enactment of this section, the Secretary shall—

1 “(A) publicly announce the availability of
2 funding under this section for demonstration
3 programs; and

4 “(B) ensure that applications to carry out
5 demonstration programs are widely available to
6 qualified entities.

7 “(2) SUBMISSION.—Not later than 270 days
8 after the date of enactment of this section, a quali-
9 fied entity may submit to the Secretary an applica-
10 tion to carry out a demonstration program.

11 “(3) CRITERIA.—In considering whether to ap-
12 prove an application to carry out a demonstration
13 program, the Secretary shall assess—

14 “(A) the degree to which the demonstra-
15 tion program described in the application is
16 likely to aid eligible participants in successfully
17 pursuing new farming opportunities;

18 “(B) the experience and ability of the
19 qualified entity to responsibly administer the
20 project;

21 “(C) the experience and ability of the
22 qualified entity in recruiting, educating, and as-
23 sisting eligible participants to increase economic
24 independence and pursue or advance farming
25 opportunities;

1 “(D) the aggregate amount of direct funds
2 from non-Federal public sector and private
3 sources that are formally committed to the
4 demonstration program as matching contribu-
5 tions;

6 “(E) the adequacy of the plan for pro-
7 viding information relevant to an evaluation of
8 the demonstration program; and

9 “(F) such other factors as the Secretary
10 considers to be appropriate.

11 “(4) PREFERENCES.—In considering an appli-
12 cation to conduct a demonstration program under
13 this part, the Secretary shall give preference to an
14 application from a qualified entity that dem-
15 onstrates—

16 “(A) a track record of serving clients tar-
17 geted by the program, including, as appro-
18 priate, socially disadvantaged farmers and
19 ranchers; and

20 “(B) expertise in dealing with financial
21 management aspects of farming.

22 “(5) APPROVAL.—

23 “(A) IN GENERAL.—Not later than 1 year
24 after the date of enactment of this section, in
25 accordance with this section, the Secretary

1 shall, on a competitive basis, approve such ap-
2 plications to conduct demonstration programs
3 as the Secretary considers appropriate.

4 “(B) DIVERSITY.—The Secretary shall en-
5 sure, to the maximum extent practicable, that
6 approved applications involve demonstration
7 programs for a range of geographic areas and
8 diverse populations.

9 “(6) TERM OF AUTHORITY.—If the Secretary
10 approves an application to carry out a demonstration
11 program, the Secretary shall authorize the applying
12 qualified entity to carry out the project for a period
13 of 5 years, plus an additional 2 years for the making
14 of eligible expenditures in accordance with sub-
15 section (b)(5)(B).

16 “(d) GRANT AUTHORITY.—

17 “(1) IN GENERAL.—For each year during which
18 a demonstration program is carried out under this
19 section, the Secretary shall make a grant to the
20 qualified entity authorized to carry out the dem-
21 onstration program.

22 “(2) MAXIMUM AMOUNT OF GRANTS.—The ag-
23 gregate amount of grant funds provided to a dem-
24 onstration program carried out under this section
25 shall not exceed \$300,000.

1 “(e) REPORTS.—

2 “(1) ANNUAL PROGRESS REPORTS.—

3 “(A) IN GENERAL.—Not later than 60
4 days after the end of the calendar year in which
5 the Secretary authorizes a qualified entity to
6 carry out a demonstration program, and annu-
7 ally thereafter until the conclusion of the dem-
8 onstration program, the qualified entity shall
9 prepare an annual report that includes, for the
10 period covered by the report—

11 “(i) an evaluation of the progress of
12 the demonstration program;

13 “(ii) information about the dem-
14 onstration program and eligible partici-
15 pants;

16 “(iii) the number and characteristics
17 of individuals that have made 1 or more
18 deposits into an individual development ac-
19 count;

20 “(iv) the amounts in the reserve fund
21 established with respect to the program;

22 “(v) the amounts deposited in the in-
23 dividual development accounts;

24 “(vi) the amounts withdrawn from the
25 individual development accounts and the

1 purposes for which the amounts were with-
2 drawn;

3 “(vii) the balances remaining in the
4 individual development accounts;

5 “(viii) such other information as the
6 Secretary may require.

7 “(B) SUBMISSION OF REPORTS.—A quali-
8 fied entity shall submit each report required
9 under subparagraph (A) to the Secretary.

10 “(2) REPORTS BY THE SECRETARY.—Not later
11 than 1 year after the date on which all demonstra-
12 tion programs under this section are concluded, the
13 Secretary shall submit to Congress a final report
14 that describes the results and findings of all reports
15 and evaluations carried out under this section.

16 “(f) REGULATIONS.—In carrying out this section, the
17 Secretary may promulgate regulations to ensure that the
18 program includes provisions for—

19 “(1) the termination of demonstration pro-
20 grams;

21 “(2) control of the reserve funds in the case of
22 such a termination;

23 “(3) transfer of demonstration programs to
24 other qualified entities; and

1 “(4) remissions from a reserve fund to the Sec-
2 retary in a case in which a demonstration program
3 is terminated without transfer to a new qualified en-
4 tity.

5 “(g) FUNDING.—

6 “(1) AUTHORIZATION OF APPROPRIATIONS.—

7 There is authorized to be appropriated to carry out
8 this section \$10,000,000 for each of fiscal years
9 2008 through 2012.

10 “(2) ADMINISTRATION AND TRAINING.—Of the
11 total funds made available under paragraph (1) and
12 in addition to any other available funds, not more
13 than 10 percent may be used by the Secretary—

14 “(A) to administer the pilot program; and

15 “(B) to provide training, or hire 1 or more
16 consultants to provide training, to instruct
17 qualified entities in carrying out demonstration
18 programs, including payment of reasonable
19 costs incurred with respect to that training
20 for—

21 “(i) staff or consultant travel;

22 “(ii) lodging;

23 “(iii) meals; and

24 “(iv) materials.”.

1 **SEC. 5202. INVENTORY SALES PREFERENCES; LOAN FUND**

2 **SET-ASIDES.**

3 (a) INVENTORY SALES PREFERENCES.—Section
4 335(c) of the Consolidated Farm and Rural Development
5 Act (7 U.S.C. 1985(c)) is amended—

6 (1) in paragraph (1)—

7 (A) in subparagraph (B)—

8 (i) in the subparagraph heading, by
9 inserting “; SOCIALLY DISADVANTAGED
10 FARMER OR RANCHER” after “OR RANCH-
11 ER”;

12 (ii) in clause (i), by inserting “ or a
13 socially disadvantaged farmer or rancher”
14 after “or rancher”;

15 (iii) in clause (ii), by inserting “or so-
16 cially disadvantaged farmer or rancher”
17 after “or rancher”;

18 (iv) in clause (iii), by inserting “or a
19 socially disadvantaged farmer or rancher”
20 after “or rancher”; and

21 (v) in clause (iv), by inserting “and
22 socially disadvantaged farmers and ranch-
23 ers” after “and ranchers”; and

24 (B) in subparagraph (C), by inserting “or
25 a socially disadvantaged farmer or rancher”
26 after “or rancher”;

1 (2) in paragraph (5)(B)—

2 (A) in clause (i)—

3 (i) in the clause heading, by inserting
4 “; SOCIALLY DISADVANTAGED FARMER OR
5 RANCHER” after “OR RANCHER”;

6 (ii) by inserting “or a socially dis-
7 advantaged farmer or rancher” after “a
8 beginning farmer or rancher”; and

9 (iii) by inserting “or the socially dis-
10 advantaged farmer or rancher” after “the
11 beginning farmer or rancher”; and

12 (B) in clause (ii)—

13 (i) in the matter preceding subclause
14 (I), by inserting “or a socially disadvan-
15 taged farmer or rancher” after “or ranch-
16 er”; and

17 (ii) in subclause (II), by inserting “or
18 the socially disadvantaged farmer or ranch-
19 er” after “or rancher”; and

20 (3) in paragraph (6)—

21 (A) in subparagraph (A), by inserting “or
22 a socially disadvantaged farmer or rancher”
23 after “or rancher”; and

24 (B) in subparagraph (C)—

1 (i) in clause (i)(I), by inserting “and
2 socially disadvantaged farmers and ranch-
3 ers” after “and ranchers”; and

4 (ii) in clause (ii), by inserting “or so-
5 cially disadvantaged farmers or ranchers”
6 after “or ranchers”.

7 (b) LOAN FUND SET-ASIDES.—Section 346(b)(2) of
8 the Consolidated Farm and Rural Development Act (7
9 U.S.C. 1994(b)(2)) is amended—

10 (1) in subparagraph (A)—

11 (A) in clause (i)—

12 (i) in subclause (I), by striking “70
13 percent” and inserting “an amount that is
14 not less than 75 percent of the total
15 amount”; and

16 (ii) in subclause (II)—

17 (I) in the subclause heading, by
18 inserting “; JOINT FINANCING AR-
19 RANGEMENTS” after “PAYMENT
20 LOANS”;

21 (II) by striking “60 percent” and
22 inserting “an amount not less than $\frac{2}{3}$
23 of the amount”; and

24 (III) by inserting “and joint fi-
25 nancing arrangements under section

1 307(a)(3)(D)” after “section 310E”;

2 and

3 (B) in clause (ii)(III), by striking “2003
4 through 2007, 35 percent” and inserting “2008
5 through 2012, an amount that is not less than
6 50 percent of the total amount”; and

7 (2) in subparagraph (B)(i), by striking “25 per-
8 cent” and inserting “an amount that is not less than
9 40 percent of the total amount”.

10 **SEC. 5203. TRANSITION TO PRIVATE COMMERCIAL OR**
11 **OTHER SOURCES OF CREDIT.**

12 Subtitle D of the Consolidated Farm and Rural De-
13 velopment Act is amended by inserting after section 344
14 (7 U.S.C. 1992) the following:

15 **“SEC. 345. TRANSITION TO PRIVATE COMMERCIAL OR**
16 **OTHER SOURCES OF CREDIT.**

17 “(a) IN GENERAL.—In making or insuring a farm
18 loan under subtitle A or B, the Secretary shall establish
19 a plan and promulgate regulations (including performance
20 criteria) that promote the goal of transitioning borrowers
21 to private commercial credit and other sources of credit
22 in the shortest practicable period of time.

23 “(b) COORDINATION.—In carrying out this section,
24 the Secretary shall integrate and coordinate the transition
25 policy described in subsection (a) with—

1 “(1) the borrower training program established
2 by section 359;

3 “(2) the loan assessment process established by
4 section 360;

5 “(3) the supervised credit requirement estab-
6 lished by section 361;

7 “(4) the market placement program established
8 by section 362; and

9 “(5) other appropriate programs and authori-
10 ties, as determined by the Secretary.”.

11 **SEC. 5204. LOAN AUTHORIZATION LEVELS.**

12 Section 346(b)(1) of the Consolidated Farm and
13 Rural Development Act (7 U.S.C. 1994(b)(1)) is amend-
14 ed—

15 (1) in the matter preceding subparagraph (A),
16 by striking “\$3,796,000,000 for each of fiscal years
17 2003 through 2007” and inserting “\$4,226,000,000
18 for each of fiscal years 2008 through 2012”; and

19 (2) in subparagraph (A)—

20 (A) in the matter preceding clause (i), by
21 striking “\$770,000,000” and inserting
22 “\$1,200,000,000”;

23 (B) in clause (i), by striking
24 “\$205,000,000” and inserting “\$350,000,000”;
25 and

1 (C) in clause (ii), by striking
2 “\$565,000,000” and inserting “\$850,000,000”.

3 **SEC. 5205. INTEREST RATE REDUCTION PROGRAM.**

4 Section 351(a) of the Consolidated Farm and Rural
5 Development Act (7 U.S.C. 1999(a)) is amended—

6 (1) in the subsection heading, by inserting
7 “AND AVAILABILITY” after “ESTABLISHMENT”;

8 (2) by striking “The Secretary” and inserting
9 the following:

10 “(1) ESTABLISHMENT.—The Secretary”; and

11 (3) by adding at the end the following:

12 “(2) AVAILABILITY.—The program established
13 under paragraph (1) shall be available with respect
14 to new guaranteed operating loans or guaranteed op-
15 erating loans restructured under this title after the
16 date of enactment of this paragraph that meet the
17 requirements of subsection (b).”.

18 **SEC. 5206. DEFERRAL OF SHARED APPRECIATION RECAP-
19 TURE AMORTIZATION.**

20 Section 353(e)(7)(D) of the Consolidated Farm and
21 Rural Development Act (7 U.S.C. 2001(e)(7)(D)) is
22 amended—

23 (1) in the subparagraph heading, by inserting
24 “AND DEFERRAL” after “REAMORTIZATION”; and

25 (2) in clause (ii)—

1 (A) by redesignating subclause (II) as sub-
2 clause (III); and

3 (B) by inserting after subclause (I) the fol-
4 lowing:

5 “(II) TERM OF DEFERRAL.—The
6 term of a deferral under this subpara-
7 graph shall not exceed 1 year.”.

8 **SEC. 5207. RURAL DEVELOPMENT, HOUSING, AND FARM**
9 **LOAN PROGRAM ACTIVITIES.**

10 Subtitle D of the Consolidated Farm and Rural De-
11 velopment Act is amended by inserting after section 364
12 (7 U.S.C. 2006f) the following:

13 **“SEC. 365. RURAL DEVELOPMENT, HOUSING, AND FARM**
14 **LOAN PROGRAM ACTIVITIES.**

15 “The Secretary may not complete a study of, or enter
16 into a contract with a private party to carry out, without
17 specific authorization in a subsequent Act of Congress, a
18 competitive sourcing activity of the Secretary, including
19 support personnel of the Department of Agriculture, relat-
20 ing to rural development, housing, or farm loan pro-
21 grams.”.

1 **Subtitle D—Farm Credit**

2 **SEC. 5301. AUTHORITY TO PASS ALONG COST OF INSUR-**
3 **ANCE PREMIUMS.**

4 (a) IN GENERAL.—Section 1.12(b) of the Farm
5 Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

6 (1) in the first sentence, by striking “Each
7 Farm” and inserting the following;

8 “(1) IN GENERAL.—Each Farm”; and

9 (2) by striking the second sentence and insert-
10 ing the following:

11 “(2) COMPUTATION.—The assessment on any
12 association or other financing institution described
13 in paragraph (1) for any period shall be computed
14 in an equitable manner, as determined by the Cor-
15 poration.”.

16 (b) RULES AND REGULATIONS.—Section 5.58(10) of
17 the Farm Credit Act of 1971 (12 U.S.C. 2277a–7(10))
18 is amended by inserting “and section 1.12(b)” after
19 “part”.

20 **SEC. 5302. TECHNICAL CORRECTION.**

21 Section 3.3(b) of the Farm Credit Act of 1971 (12
22 U.S.C. 2124(b)) is amended in the first sentence by strik-
23 ing “per” and inserting “par”.

1 **SEC. 5303. CONFIRMATION OF CHAIRMAN.**

2 Section 5.8(a) of the Farm Credit Act of 1971 (12
3 U.S.C. 2242(a)) is amended in the fifth sentence by in-
4 serting “by and with the advice and consent of the Sen-
5 ate,” after “designated by the President,”.

6 **SEC. 5304. PREMIUMS.**

7 (a) AMOUNT IN FUND NOT EXCEEDING SECURE
8 BASE AMOUNT.—Section 5.55(a) of the Farm Credit Act
9 of 1971 (12 U.S.C. 2277a—4(a)) is amended—

10 (1) in paragraph (1)—

11 (A) in the matter preceding subparagraph

12 (A)—

13 (i) by striking “paragraph (2)” and
14 inserting “paragraph (3)”; and

15 (ii) by striking “annual” ; and

16 (B) by striking subparagraphs (A) through
17 (D) and inserting the following:

18 “(A) the average outstanding insured obli-
19 gations issued by the bank for the calendar
20 year, after deducting from the obligations the
21 percentages of the guaranteed portions of loans
22 and investments described in paragraph (2),
23 multiplied by 0.0020; and

24 “(B) the product obtained by multi-
25 plying—

26 “(i) the sum of—

1 “(I) the average principal out-
2 standing for the calendar year on
3 loans made by the bank that are in
4 nonaccrual status; and

5 “(II) the average amount out-
6 standing for the calendar year of
7 other-than-temporarily impaired in-
8 vestments made by the bank; by

9 “(ii) 0.0010.”;

10 (2) by striking paragraph (4);

11 (3) by redesignating paragraphs (2) and (3) as
12 paragraphs (3) and (4), respectively;

13 (4) by inserting after paragraph (1) the fol-
14 lowing:

15 “(2) DEDUCTIONS FROM AVERAGE OUT-
16 STANDING INSURED OBLIGATIONS.—The average
17 outstanding insured obligations issued by the bank
18 for the calendar year referred to in paragraph (1)(A)
19 shall be reduced by deducting from the obligations
20 the sum of (as determined by the Corporation)—

21 “(A) 90 percent of each of —

22 “(i) the average principal outstanding
23 for the calendar year on the guaranteed
24 portions of Federal government-guaranteed

1 loans made by the bank that are in accrual
2 status; and

3 “(ii) the average amount outstanding
4 for the calendar year of the guaranteed
5 portions of Federal government-guaranteed
6 investments made by the bank that are not
7 permanently impaired; and

8 “(B) 80 percent of each of—

9 “(i) the average principal outstanding
10 for the calendar year on the guaranteed
11 portions of State government-guaranteed
12 loans made by the bank that are in accrual
13 status; and

14 “(ii) the average amount outstanding
15 for the calendar year of the guaranteed
16 portions of State government-guaranteed
17 investments made by the bank that are not
18 permanently impaired.”;

19 (5) in paragraph (3) (as redesignated by para-
20 graph (3)), by striking “annual”; and

21 (6) in paragraph (4) (as redesignated by para-
22 graph (3))—

23 (A) in the paragraph heading, by inserting
24 “OR INVESTMENTS” after “LOANS”; and

1 (B) in the matter preceding subparagraph
2 (A), by striking “As used” and all that follows
3 through “guaranteed—” and inserting “In this
4 section, the term “government-guaranteed”,
5 when applied to a loan or an investment, means
6 a loan, credit, or investment, or portion of a
7 loan, credit, or investments, that is guaran-
8 teed—”.

9 (b) AMOUNT IN FUND EXCEEDING SECURE BASE
10 AMOUNT.—Section 5.55(b) of the Farm Credit Act of
11 1971 (12 U.S.C. 2277a–4(b)) is amended by striking “an-
12 nual”.

13 (c) SECURE BASE AMOUNT.—Section 5.55(c) of the
14 Farm Credit Act of 1971 (12 U.S.C. 2277a–4(c)) is
15 amended—

16 (1) by striking “For purposes” and inserting
17 the following:

18 “(1) IN GENERAL.—For purposes”;

19 (2) by striking “(adjusted downward” and all
20 that follows through “by the Corporation)” and in-
21 serting “(as adjusted under paragraph (2))”; and

22 (3) by adding at the end the following:

23 “(2) ADJUSTMENT.—The aggregate out-
24 standing insured obligations of all insured System
25 banks under paragraph (1) shall be adjusted down-

1 ward to exclude an amount equal to the sum of (as
2 determined by the Corporation)—

3 “(A) 90 percent of each of—

4 “(i) the guaranteed portions of prin-
5 cipal outstanding on Federal government-
6 guaranteed loans in accrual status made
7 by the banks; and

8 “(ii) the guaranteed portions of the
9 amount of Federal government-guaranteed
10 investments made by the banks that are
11 not permanently impaired; and

12 “(B) 80 percent of each of—

13 “(i) the guaranteed portions of prin-
14 cipal outstanding on State government-
15 guaranteed loans in accrual status made
16 by the banks; and

17 “(ii) the guaranteed portions of the
18 amount of State government-guaranteed
19 investments made by the banks that are
20 not permanently impaired.”.

21 (d) DETERMINATION OF LOAN AND INVESTMENT
22 AMOUNTS.—Section 5.55(d) of the Farm Credit Act of
23 1971 (12 U.S.C. 2277a–4(d)) is amended—

1 (1) in the paragraph heading, by striking
2 “PRINCIPAL OUTSTANDING” and inserting “LOAN
3 AND INVESTMENT AMOUNTS”;

4 (2) in the matter preceding paragraph (1), by
5 striking “For the purpose” and all that follows
6 through “made—” and inserting “For the purpose
7 of subsections (a) and (c), the principal outstanding
8 on all loans made by an insured System bank, and
9 the amount outstanding on all investments made by
10 an insured System bank, shall be determined based
11 on—”;

12 (3) by inserting “all loans or investments
13 made” before “by” the first place it appears in each
14 of paragraph (1), (2), and (3); and

15 (4) in paragraphs (1) and (2), by inserting “or
16 investments” after “that is able to make such loans”
17 each place it appears.

18 (e) ALLOCATION TO SYSTEM INSTITUTIONS OF EX-
19 CESS RESERVES.—Section 5.55(e) of the Farm Credit Act
20 of 1971 (12 U.S.C. 2277a–4(e)) is amended—

21 (1) in paragraph (3), by striking “the average
22 secure base amount for the calendar year (as cal-
23 culated on an average daily balance basis)” and in-
24 serting “the secure base amount”;

1 (2) in paragraph (4), by striking subparagraph
2 (B) and inserting the following:

3 “(B) there shall be credited to the Allo-
4 cated Insurance Reserves Account of each in-
5 sured System bank an amount that bears the
6 same ratio to the total amount (less any
7 amount credited under subparagraph (A)) as—

8 “(i) the average principal outstanding
9 for the calendar year on insured obliga-
10 tions issued by the bank (after deducting
11 from the principal the percentages of the
12 guaranteed portions of loans and invest-
13 ments described in subsection (a)(2));
14 bears to

15 “(ii) the average principal outstanding
16 for the calendar year on insured obliga-
17 tions issued by all insured System banks
18 (after deducting from the principal the
19 percentages of the guaranteed portions of
20 loans and investments described in sub-
21 section (a)(2)).”; and

22 (3) in paragraph (6)—

23 (A) in subparagraph (A)—

1 (i) in the matter preceding clause (i),
2 by striking “beginning more” and all that
3 follows through “January 1, 2005”;

4 (ii) by striking clause (i) and inserting
5 the following:

6 “(i) subject to subparagraph (D), pay
7 to each insured System bank, in a manner
8 determined by the Corporation, an amount
9 equal to the balance in the Allocated Insur-
10 ance Reserves Account of the System
11 bank; and”; and

12 (iii) in clause (ii)—

13 (I) by striking “subparagraphs
14 (C), (E), and (F)” and inserting
15 “subparagraphs (C) and (E)”; and

16 (II) by striking “, of the lesser
17 of—” and all that follows through the
18 end of subclause (II) and inserting
19 “at the time of the termination of the
20 Financial Assistance Corporation, of
21 the balance in the Allocated Insurance
22 Reserves Account established under
23 paragraph (1)(B).”;

24 (B) in subparagraph (C)—

1 (i) in clause (i), by striking “(in addi-
2 tion to the amounts described in subpara-
3 graph (F)(ii))”; and

4 (ii) by striking clause (ii) and insert-
5 ing the following:

6 “(iii) TERMINATION OF ACCOUNT.—
7 On disbursement of amount equal to
8 \$56,000,000, the Corporation shall—

9 “(I) close the Account established
10 under paragraph (1)(B); and

11 “(II) transfer any remaining
12 funds in the Account to the remaining
13 Allocated Insurance Reserves Ac-
14 counts in accordance with paragraph
15 (4)(B) for the calendar year in which
16 the transfer occurs.”.

17 (C) by striking subparagraph (F).

18 **SEC. 5305. CERTIFICATION OF PREMIUMS.**

19 (a) FILING CERTIFIED STATEMENT.—Section 5.56
20 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5) is
21 amended by striking subsection (a) and inserting the fol-
22 lowing:

23 “(a) FILING CERTIFIED STATEMENT.—On a date to
24 be determined in the sole discretion of the Board of Direc-
25 tors of the Corporation, each insured System bank that

1 became insured before the beginning of the period for
2 which premiums are being assessed (referred to in this
3 section as the ‘period’) shall file with the Corporation a
4 certified statement showing—

5 “(1) the average outstanding insured obliga-
6 tions for the period issued by the bank;

7 “(2)(A) the average principal outstanding for
8 the period on the guaranteed portion of Federal gov-
9 ernment-guaranteed loans that are in accrual status;
10 and

11 “(B) the average amount outstanding for the
12 period of Federal government-guaranteed invest-
13 ments that are not permanently impaired (as defined
14 in section 5.55(a)(4));

15 “(3)(A) the average principal outstanding for
16 the period on State government-guaranteed loans
17 that are in accrual status; and

18 “(B) the average amount outstanding for the
19 period of State government-guaranteed investments
20 that are not permanently impaired (as defined in
21 section 5.55(a)(4));

22 “(4)(A) the average principal outstanding for
23 the period on loans that are in nonaccrual status;
24 and

1 “(B) the average amount outstanding for the
2 period of other-than-temporarily impaired invest-
3 ments; and

4 “(5) the amount of the premium due the Cor-
5 poration from the bank for the period.”.

6 (b) PREMIUM PAYMENTS.—Section 5.56 of the Farm
7 Credit Act of 1971 (12 U.S.C. 2277a–5(c)) is amended
8 by striking subsection (c) and inserting the following:

9 “(c) PREMIUM PAYMENTS.—

10 “(1) IN GENERAL.—Except as provided in para-
11 graph (2), each insured System bank shall pay to
12 the Corporation the premium payments required
13 under subsection (a), not more frequently than once
14 in each calendar quarter, in such manner and at
15 such 1 or more times as the Board of Directors shall
16 prescribe.

17 “(2) PREMIUM AMOUNT.—The amount of the
18 premium shall be established not later than 60 days
19 after filing the certified statement specifying the
20 amount of the premium.”.

21 (c) SUBSEQUENT PREMIUM PAYMENTS.—Section
22 5.56 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–
23 5) is amended—

24 (1) by striking subsection (d); and

1 (2) by redesignating subsection (e) as sub-
2 section (d).

3 **SEC. 5306. RURAL UTILITY LOANS.**

4 (a) DEFINITION OF QUALIFIED LOAN.—Section
5 8.0(9) of the Farm Credit Act of 1971 (12 U.S.C.
6 2279aa(9)) is amended—

7 (1) in subparagraph (A)(iii), by striking “or” at
8 the end;

9 (2) in subparagraph (B)(ii), by striking the pe-
10 riod at the end and inserting “; or”; and

11 (3) by adding at the end the following:

12 “(C) that is a loan, or an interest in a
13 loan, for an electric or telephone facility by a
14 cooperative lender to a borrower that has re-
15 ceived, or is eligible to receive, a loan under the
16 Rural Electrification Act of 1936 (7 U.S.C. 901
17 et seq.).”.

18 (b) GUARANTEE OF QUALIFIED LOANS.—Section
19 8.6(a)(1) of the Farm Credit Act of 1971 (12 U.S.C.
20 2279aa–6(a)(1)) is amended by inserting “applicable” be-
21 fore “standards” each place it appears in subparagraphs
22 (A) and (B)(i).

23 (c) STANDARDS FOR QUALIFIED LOANS.—Section
24 8.8 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–
25 8) is amended—

1 (1) in subsection (a)—

2 (A) by striking the first sentence and in-
3 serting the following:

4 “(1) IN GENERAL.—The Corporation shall es-
5 tablish underwriting, security appraisal, and repay-
6 ment standards for qualified loans taking into ac-
7 count the nature, risk profile, and other differences
8 between different categories of qualified loans.

9 “(2) SUPERVISION, EXAMINATION, AND REPORT
10 OF CONDITION.—The standards shall be subject to
11 the authorities of the Farm Credit Administration
12 under section 8.11.”; and

13 (B) in the last sentence, by striking “In
14 establishing” and inserting the following:

15 “(3) MORTGAGE LOANS.—In establishing”;

16 (2) in subsection (b)—

17 (A) in the matter preceding paragraph (1),
18 by inserting “with respect to loans secured by
19 agricultural real estate” after “subsection (a)”;
20 and

21 (B) in paragraph (5)—

22 (i) by striking “borrower” the first
23 place it appears and inserting “farmer or
24 rancher”; and

1 (ii) by striking “site” and inserting
2 “farm or ranch”;

3 (3) in subsection (c)(1), by inserting “secured
4 by agricultural real estate” after “A loan”;

5 (4) by striking subsection (d); and

6 (5) by redesignating subsection (e) as sub-
7 section (d).

8 (d) RISK-BASED CAPITAL LEVELS.—Section
9 8.32(a)(1) of the Farm Credit Act of 1971 (12 U.S.C.
10 2279bb–1(a)(1)) is amended—

11 (1) by striking “With respect” and inserting
12 the following:

13 “(A) IN GENERAL.—With respect”; and

14 (2) by adding at the end the following:

15 “(B) RURAL UTILITY LOANS.—With re-
16 spect to securities representing an interest in,
17 or obligation backed by, a pool of qualified
18 loans described in section 8.0(9)(C) owned or
19 guaranteed by the Corporation, losses occur at
20 a rate of default and severity reasonably related
21 to risks in electric and telephone facility loans
22 (as applicable), as determined by the Direc-
23 tor.”.

1 **SEC. 5307. EQUALIZATION OF LOAN-MAKING POWERS OF**
2 **CERTAIN DISTRICT ASSOCIATIONS.**

3 (a) IN GENERAL.—The Farm Credit Act of 1971 is
4 amended by inserting after section 7.6 (12 U.S.C. 2279b)
5 the following:

6 **“SEC. 7.7. EQUALIZATION OF LOAN-MAKING POWERS OF**
7 **CERTAIN DISTRICT ASSOCIATIONS.**

8 “(a) EQUALIZATION OF LOAN-MAKING POWERS.—

9 “(1) IN GENERAL.—

10 “(A) FEDERAL LAND BANK OR CREDIT AS-
11 SOCIATION.—Subject to paragraph (2), any as-
12 sociation that under its charter has title II
13 lending authority and that owns, is owned by,
14 or is under common ownership with, a Federal
15 land bank association authorized as of January
16 1, 2007, to make long-term loans under title I
17 in the geographic area described in subsection
18 (b) may make short- and intermediate-term
19 loans and otherwise operate as a production
20 credit association under title II in the geo-
21 graphic area.

22 “(B) PRODUCTION CREDIT ASSOCIA-
23 TIONS.—Subject to paragraph (2), any associa-
24 tion that under its charter has title I lending
25 authority and that owns, is owned by, or is
26 under common ownership with, a production

1 credit association authorized as of January 1,
2 2007, to make short- and intermediate-term
3 loans under title II in the geographic area de-
4 scribed in subsection (b) may make long-term
5 loans and otherwise operate as a Federal land
6 bank association or Federal land credit associa-
7 tion under title I in the geographic area.

8 “(C) FARM CREDIT BANK.—The Farm
9 Credit Bank with which any association had a
10 written financing agreement as of January 1,
11 2007, may make loans and extend other similar
12 financial assistance with respect to, and may
13 purchase, any loans made under the new au-
14 thority provided under subparagraph (A) or (B)
15 by an association that owns, is owned by, or is
16 under common ownership with, the association.

17 “(2) REQUIRED APPROVALS.—An association
18 may exercise the additional authority provided for in
19 paragraph (1) only after the exercise of the author-
20 ity is approved by—

21 “(A) the board of directors of the associa-
22 tion; and

23 “(B) a majority of the voting stockholders
24 of the association (or, if the association is a
25 subsidiary of another association, the voting

1 stockholders of the parent association) voting,
2 in person or by proxy, at a duly authorized
3 meeting of stockholders.

4 “(b) APPLICABILITY.—This section applies only to
5 associations the chartered territory of which is in the geo-
6 graphic area served by the Federal intermediate credit
7 bank that merged with a Farm Credit Bank under section
8 410(e)(1) of the Agricultural Credit Act of 1987 (12
9 U.S.C. 2011 note; Public Law 100–233).”.

10 (b) CHARTER AMENDMENTS.—Section 5.17(a) of the
11 Farm Credit Act of 1971 (12 U.S.C. 2252(a)) is amended
12 by adding at the end the following:

13 “(15)(A) Approve amendments to the charters
14 of institutions of the Farm Credit System to imple-
15 ment the equalization of loan-making powers of a
16 Farm Credit System association under section 7.7.

17 “(B) Amendments described in subparagraph
18 (A) to the charters of an association and the related
19 Farm Credit Bank shall be approved by the Farm
20 Credit Administration on the date on which the
21 Farm Credit Administration receives all approvals
22 required by section 7.7(a)(2).”.

23 (c) CONFORMING AMENDMENTS.—

24 (1) Section 5.17(a)(2) of the Farm Credit Act
25 of 1971 (12 U.S.C. 2252(a)(2)) is amended—

1 (A) by striking “(2)(A)” and inserting
2 “(2)”; and

3 (B) by striking subparagraphs (B) and
4 (C).

5 (2) Section 410(e)(1)(A)(iii) of the Agricultural
6 Credit Act of 1987 (12 U.S.C. 2011 note; Public
7 Law 100–233) is amended by inserting “(other than
8 section 7.7 of that Act)” after “(12 U.S.C. 2001 et
9 seq.)”.

10 (3) Section 401(b) of the Farm Credit Banks
11 and Associations Safety and Soundness Act of 1992
12 (12 U.S.C. 2011 note; Public Law 102–552) is
13 amended—

14 (A) by inserting “(other than section 7.7
15 of the Farm Credit Act of 1971)” after “provi-
16 sion of law”; and

17 (B) by striking “, subject to such limita-
18 tions” and all that follows through the end of
19 the paragraph and inserting a period.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section take effect on January 1, 2009.

1 **Subtitle E—Miscellaneous**

2 **SEC. 5401. LOANS TO PURCHASERS OF HIGHLY**
3 **FRACTIONED LAND.**

4 The first section of Public Law 91–229 (25 U.S.C.
5 488) is amended—

6 (1) by striking “That the Secretary” and in-
7 serting the following:

8 **“SECTION 1. LOANS TO PURCHASERS OF HIGHLY**
9 **FRACTIONED LAND.**

10 “(a) IN GENERAL.—The Secretary”; and

11 (2) by adding at the end the following:

12 “(b) HIGHLY FRACTIONATED LAND.—

13 “(1) IN GENERAL.—Subject to paragraph (2),
14 the Secretary of Agriculture may make and insure
15 loans in accordance with section 309 of the Consoli-
16 dated Farm and Rural Development Act (7 U.S.C.
17 1929) to eligible purchasers of highly fractionated
18 land pursuant to section 205(c) of the Indian Land
19 Consolidation Act (25 U.S.C. 2204(c)).

20 “(2) EXCLUSION.—Section 4 shall not apply to
21 trust land, restricted tribal land, or tribal corpora-
22 tion land that is mortgaged in accordance with para-
23 graph (1).”.

1 **SEC. 5402. DETERMINATION ON MERITS OF PIGFORD**
2 **CLAIMS.**

3 (a) DEFINITIONS.—In this section:

4 (1) CONSENT DECREE.—The term “consent de-
5 cree” means the consent decree in the case of
6 Pigford v. Glickman, approved by the United States
7 District Court for the District of Columbia on April
8 14, 1999.

9 (2) PIGFORD CLAIM.—The term “Pigford
10 claim” means a discrimination complaint, as defined
11 by section 1(h) of the consent decree and docu-
12 mented under section 5(b) of the consent decree.

13 (3) PIGFORD CLAIMANT.—The term “Pigford
14 claimant” means an individual who previously sub-
15 mitted a late-filing request under section 5(g) of the
16 consent decree.

17 (b) DETERMINATION ON MERITS.—Any Pigford
18 claimant who has not previously obtained a determination
19 on the merits of a Pigford claim may, in a civil action
20 brought in the United States District Court for the Dis-
21 trict of Columbia, obtain that determination.

22 (c) LIMITATION.—

23 (1) IN GENERAL.—Subject to paragraph (2), all
24 payments or debt relief (including any limitation on
25 foreclosure under subsection (g)) shall be made ex-

1 exclusively from funds made available under subsection
2 (h).

3 (2) MAXIMUM AMOUNT.—The total amount of
4 payments and debt relief pursuant to an action com-
5 menced under subsection (b) shall not exceed
6 \$100,000,000.

7 (d) INTENT OF CONGRESS AS TO REMEDIAL NATURE
8 OF SECTION.—It is the intent of Congress that this sec-
9 tion be liberally construed so as to effectuate its remedial
10 purpose of giving a full determination on the merits for
11 each Pigford claim denied that determination.

12 (e) LOAN DATA.—

13 (1) REPORT TO PERSON SUBMITTING PETI-
14 TION.—Not later than 60 days after the Secretary
15 receives notice of a complaint filed by a claimant
16 under subsection (b), the Secretary shall provide to
17 the claimant a report on farm credit loans made
18 within the claimant's county or adjacent county by
19 the Department during the period beginning on Jan-
20 uary 1 of the year preceding the year or years cov-
21 ered by the complaint and ending on December 31
22 of year following such year or years. Such report
23 shall contain information on all persons whose appli-
24 cation for a loan was accepted, including—

25 (A) the race of the applicant;

1 (B) the date of application;

2 (C) the date of the loan decision;

3 (D) the location of the office making the
4 loan decision; and

5 (E) all data relevant to the process of de-
6 ciding on the loan.

7 (2) NO PERSONALLY IDENTIFIABLE INFORMA-
8 TION.—The reports provided pursuant to paragraph
9 (1) shall not contain any information that would
10 identify any person that applied for a loan from the
11 Department of Agriculture.

12 (f) EXPEDITED RESOLUTIONS AUTHORIZED.—Any
13 person filing a complaint under this Act for discrimination
14 in the application for, or making or servicing of, a farm
15 loan, at his or her discretion, may seek liquidated damages
16 of \$50,000, discharge of the debt that was incurred under,
17 or affected by, the discrimination that is the subject of
18 the person's complaint, and a tax payment in the amount
19 equal to 25 percent of the liquidated damages and loan
20 principal discharged, in which case—

21 (1) if only such damages, debt discharge, and
22 tax payment are sought, the complainant shall be
23 able to prove his or her case by substantial evidence
24 (as defined in section 1(l) of the consent decree);
25 and

1 (2) the court shall decide the case based on a
2 review of documents submitted by the complainant
3 and defendant relevant to the issues of liability and
4 damages.

5 (g) LIMITATION ON FORECLOSURES.—Notwith-
6 standing any other provision of law, the Secretary may
7 not begin acceleration on or foreclosure of a loan if the
8 borrower is a Pigford claimant and, in an appropriate ad-
9 ministrative proceeding, makes a prima facie case that the
10 foreclosure is related to a Pigford claim.

11 (h) FUNDING.—

12 (1) IN GENERAL.—Of the funds of the Com-
13 modity Credit Corporation, the Secretary shall make
14 available for payments and debt relief in satisfaction
15 of claims against the United States under subsection
16 (b) and for any actions under subsection (g)
17 \$100,000,000 for fiscal year 2008, to remain avail-
18 able until expended.

19 (2) AUTHORIZATION OF APPROPRIATIONS.—In
20 addition to funds made available under paragraph
21 (1), there are authorized to be appropriated such
22 sums as are necessary to carry out this section.

1 **SEC. 5403. SENSE OF THE SENATE RELATING TO CLAIMS**
2 **BROUGHT BY SOCIALLY DISADVANTAGED**
3 **FARMERS OR RANCHERS.**

4 It is the sense of the Senate that the Secretary should
5 resolve all claims and class actions brought against the
6 Department of Agriculture by socially disadvantaged
7 farmers or ranchers (as defined in section 355(e) of the
8 Consolidated Farm and Rural Development Act (7 U.S.C.
9 2003(e)), including Native American, Hispanic, and fe-
10 male farmers or ranchers, based on racial, ethnic, or gen-
11 der discrimination in farm program participation in an ex-
12 peditious and just manner.

13 **SEC. 5404. ELIGIBILITY OF EQUINE FARMERS AND RANCH-**
14 **ERS FOR EMERGENCY LOANS.**

15 Section 321(a) of the Consolidated Farm and Rural
16 Development Act (7 U.S.C. 1961(a)) is amended—

17 (1) in paragraph (1), by striking “farmers,
18 ranchers” and inserting “farmers or ranchers (in-
19 cluding equine farmers or ranchers)”; and

20 (2) in paragraph (2)(A), by striking “farming,
21 ranching,” and inserting “farming or ranching (in-
22 cluding equine farming or ranching)”.

1 **TITLE VI—RURAL DEVELOP-**
2 **MENT AND INVESTMENT**
3 **Subtitle A—Consolidated Farm and**
4 **Rural Development Act**

5 **SEC. 6001. WATER, WASTE DISPOSAL, AND WASTEWATER**
6 **FACILITY GRANTS.**

7 Section 306(a)(2)(B)(vii) of the Consolidated Farm
8 and Rural Development Act (7 U.S.C. 1926(a)(2)(B)(vii))
9 is amended, by striking “2007” and inserting “2012”.

10 **SEC. 6002. RURAL BUSINESS OPPORTUNITY GRANTS.**

11 Section 306(a)(11)(D) of the Consolidated Farm and
12 Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is
13 amended by striking “2007” and inserting “2012”.

14 **SEC. 6003. CHILD DAY CARE FACILITY GRANTS, LOANS, AND**
15 **LOAN GUARANTEES.**

16 Section 306(a)(19) of the Consolidated Farm and
17 Rural Development Act (7 U.S.C. 1926(a)(19)) is amend-
18 ed by striking subparagraph (C) and inserting the fol-
19 lowing:

20 “(C) CHILD DAY CARE FACILITIES.—

21 “(i) IN GENERAL.—Of the funds of
22 the Commodity Credit Corporation, the
23 Secretary shall use for the costs of grants,
24 loans, and loan guarantees to pay the Fed-
25 eral share of the cost of developing and

1 constructing day care facilities for children
2 in rural areas, as determined by the Sec-
3 retary, \$40,000,000 for fiscal year 2008,
4 to remain available until expended.

5 “(ii) RELATIONSHIP TO OTHER FUND-
6 ING AND AUTHORITIES.—The funds and
7 authorities made available under this sub-
8 paragraph shall be in addition to other
9 funds and authorities relating to develop-
10 ment and construction of rural day care
11 facilities.”.

12 **SEC. 6004. RURAL WATER AND WASTEWATER CIRCUIT**
13 **RIDER PROGRAM.**

14 Section 306(a)(22) of the Consolidated Farm and
15 Rural Development Act (7 U.S.C. 1926(a)(22)) is amend-
16 ed—

17 (1) in subparagraph (B), by striking “2002
18 (115 Stat. 719)” and inserting “2008”; and

19 (2) in subparagraph (C), by striking
20 “\$15,000,000 for fiscal year 2003” and inserting
21 “\$20,000,000 for fiscal year 2008”.

1 **SEC. 6005. MULTIJURISDICTIONAL REGIONAL PLANNING**
2 **ORGANIZATIONS.**

3 Section 306(a)(23)(E) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1926(a)(23)(E)) is
5 amended by striking “2007” and inserting “2012”.

6 **SEC. 6006. RURAL HOSPITAL LOANS AND LOAN GUARAN-**
7 **TEES.**

8 Section 306(a)(24) of the Consolidated Farm and
9 Rural Development Act (7 U.S.C. 1926(a)(24)) is amend-
10 ed by adding at the end the following:

11 “(C) RURAL HOSPITALS.—

12 “(i) IN GENERAL.—Of the funds of
13 the Commodity Credit Corporation, the
14 Secretary shall use for the costs of loans
15 and loan guarantees to pay the Federal
16 share of the cost of rehabilitating or im-
17 proving hospitals that have not more than
18 100 acute beds in rural areas, as deter-
19 mined by the Secretary, \$50,000,000 for
20 fiscal year 2008, to remain available until
21 expended.

22 “(ii) PRIORITY.—In making loans and
23 loan guarantees under this subparagraph,
24 the Secretary shall give priority to hos-
25 pitals for—

1 “(I) the provision of facilities to
2 improve and install patient care,
3 health quality outcomes, and health
4 information technology, including
5 computer hardware and software,
6 equipment for electronic medical
7 records, handheld computer tech-
8 nology, and equipment that improves
9 interoperability; or

10 “(II) the acquisition of equip-
11 ment and software purchased collec-
12 tively in a cost effective manner to ad-
13 dress technology needs.

14 “(iii) RELATIONSHIP TO OTHER
15 FUNDING AND AUTHORITIES.—The funds
16 and authorities made available under this
17 subparagraph shall be in addition to other
18 funds and authorities relating to rehabili-
19 tation and improvement of hospitals de-
20 scribed in clause (i).”.

21 **SEC. 6007. TRIBAL COLLEGE AND UNIVERSITY ESSENTIAL**
22 **COMMUNITY FACILITIES.**

23 Section 306(a)(25) of the Consolidated Farm and
24 Rural Development Act (7 U.S.C. 1926(a)(25)) is amend-
25 ed—

1 (1) in subparagraph (B)(ii), by striking “75
2 percent” and inserting “95 percent”; and

3 (2) in subparagraph (C), by striking “2007”
4 and inserting “2012”.

5 **SEC. 6008. COMMUNITY FACILITY LOANS AND GRANTS FOR**
6 **FREELY ASSOCIATED STATES AND OUTLYING**
7 **AREAS.**

8 Section 306(a) of the Consolidated Farm and Rural
9 Development Act (7 U.S.C. 1926(a)) is amended by add-
10 ing at the end the following:

11 “(26) COMMUNITY FACILITY LOANS AND
12 GRANTS FOR FREELY ASSOCIATED STATES AND OUT-
13 LYING AREAS.—

14 “(A) IN GENERAL.—Subject to subpara-
15 graph (B), of the amount that is made available
16 for each fiscal year for each of the community
17 facility loan and grant programs established
18 under paragraphs (1), (19), (20), (21), and
19 (25), the Secretary shall allocate 0.5 percent of
20 the amount for making loans or grants (as ap-
21 plicable) under the program to eligible entities
22 that are located in freely associated States or
23 outlying areas (as those terms are defined in
24 section 1121(c) of the Elementary and Sec-
25 ondary Education Act of 1965 (20 U.S.C.

1 6331(c)) that are subject to the jurisdiction of
2 the United States and are otherwise covered by
3 this Act.

4 “(B) REALLOCATION.—If the Secretary
5 determines that a sufficient number of applica-
6 tions for loans or grants for a program de-
7 scribed in subparagraph (A) have not been re-
8 ceived from eligible entities for a fiscal year
9 during the 180-day period beginning on October
10 1 of the fiscal year, the Secretary shall reallo-
11 cate any unused funds to make loans or grants
12 (as applicable) under the program to eligible en-
13 tities that are located in States.”.

14 **SEC. 6009. PRIORITY FOR COMMUNITY FACILITY LOAN AND**
15 **GRANT PROJECTS WITH HIGH NON-FEDERAL**
16 **SHARE.**

17 Section 306(a) of the Consolidated Farm and Rural
18 Development Act (7 U.S.C. 1926(a)) (as amended by sec-
19 tion 6008) is amended by adding at the end the following:

20 “(27) PRIORITY FOR COMMUNITY FACILITY
21 LOAN AND GRANT PROJECTS WITH HIGH NON-FED-
22 ERAL SHARE.—In carrying out the community facil-
23 ity loan and grant programs established under para-
24 graphs (1), (19), (20), (21), and (25), the Secretary
25 shall give priority to projects that will be carried out

1 with a non-Federal share of funds that is substan-
2 tially greater than the minimum requirement, as de-
3 termined by the Secretary by regulation.”.

4 **SEC. 6010. SEARCH GRANTS.**

5 Section 306(a) of the Consolidated Farm and Rural
6 Development Act (7 U.S.C. 1926(a)) (as amended by sec-
7 tion 6009) is amended by adding at the end the following:

8 “(28) APPLICATIONS FILED BY ELIGIBLE COM-
9 MUNITIES.—

10 “(A) ELIGIBLE COMMUNITY.—In this
11 paragraph, the term ‘eligible community’ means
12 a community that, as determined by the Sec-
13 retary—

14 “(i) has a population of 2,500 or
15 fewer inhabitants; and

16 “(ii) is financially distressed.

17 “(B) APPLICATIONS.—In the case of water
18 and waste disposal and wastewater facilities
19 grant programs authorized under this title, the
20 Secretary may accept applications from eligible
21 communities for grants for feasibility study, de-
22 sign, and technical assistance.

23 “(C) TERMS.—

24 “(i) IN GENERAL.—Except as pro-
25 vided in clause (ii), the terms of the grant

1 programs described in subparagraph (B)
2 shall apply to the applications described in
3 that subparagraph.

4 “(ii) EXCEPTIONS.—Grants made
5 pursuant to applications described in sub-
6 paragraph (B)—

7 “(I) shall fund up to 100 percent
8 of eligible project costs; and

9 “(II) shall be subject to the least
10 documentation requirements prac-
11 ticable.

12 “(iii) PROCESSING.—The Secretary
13 shall process applications received under
14 subparagraph (B) in the same manner as
15 other similar grant applications.

16 “(D) FUNDING.—In addition to any other
17 funds made available for technical assistance,
18 the Secretary may use to carry out this para-
19 graph not more than 4 percent of the total
20 amount of funds made available for a fiscal
21 year for water, waste disposal, and essential
22 community facilities.”.

1 **SEC. 6011. EMERGENCY AND IMMINENT COMMUNITY**
2 **WATER ASSISTANCE GRANT PROGRAM.**

3 Section 306A(i)(2) of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 1926a(i)(2)) is amended
5 by striking “2007” and inserting “2012”.

6 **SEC. 6012. WATER SYSTEMS FOR RURAL AND NATIVE VIL-**
7 **LAGES IN ALASKA.**

8 Section 306D of the Consolidated Farm and Rural
9 Development Act (7 U.S.C. 1926d) is amended—

10 (1) in subsection (a)—

11 (A) by striking “make grants to the State”
12 and inserting “make grants to—
13 “(1) the State”;

14 (B) by striking the period at the end and
15 inserting “; and”; and

16 (C) by adding at the end the following:

17 “(2) the Denali Commission to improve solid
18 waste disposal sites that are contaminating, or
19 threaten to contaminate, rural drinking water sup-
20 plies in the State of Alaska.”;

21 (2) in subsection (b), by striking “the State of
22 Alaska” and inserting “a grantee”;

23 (3) in subsection (c)—

24 (A) in the subsection heading by striking
25 “WITH THE STATE OF ALASKA”; and

1 (B) by striking “the State of Alaska” and
2 inserting “the appropriate grantee under sub-
3 section (a)”; and
4 (4) in subsection (d)(1), by striking “2007”
5 and inserting “2012”.

6 **SEC. 6013. GRANTS TO DEVELOP WELLS IN RURAL AREAS.**

7 (a) GRANTS TO NONPROFIT ORGANIZATIONS TO FI-
8 NANCE THE CONSTRUCTION, REFURBISHING, AND SERV-
9 ICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER
10 WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS
11 WITH LOW OR MODERATE INCOMES.—Section 306E(d)
12 of the Consolidated Farm and Rural Development Act (7
13 U.S.C. 1926e(d)) is amended by striking “2007” and in-
14 serting “2012”.

15 (b) GRANTS TO DEVELOP AREA WELLS IN ISOLATED
16 AREAS.—Subtitle A of the Consolidated Farm and Rural
17 Development Act is amended by inserting after section
18 306E (7 U.S.C. 1926e) the following:

19 **“SEC. 306F. GRANTS TO DEVELOP AREA WELLS IN ISO-**
20 **LATED AREAS.**

21 “(a) DEFINITION OF ISOLATED AREA.—In this sec-
22 tion, the term ‘isolated area’ means an area—

23 “(1) in which the development of a traditional
24 water system is not financially practical due to—

1 “(A) the distances or geography of the
2 area; and

3 “(B) the limited number of households
4 present to be served; and

5 “(2) that is not part of a city of more than
6 1,000 inhabitants.

7 “(b) GRANTS.—The Secretary may make grants to
8 nonprofit organizations to develop and construct house-
9 hold, shared, and community water wells in isolated rural
10 areas.

11 “(c) PRIORITY IN AWARDING GRANTS.—In awarding
12 grants under this section, the Secretary shall give priority
13 to applicants that have demonstrated experience in devel-
14 oping safe and similar projects including household,
15 shared, and community wells in rural areas.

16 “(d) REQUIREMENTS.—

17 “(1) IN GENERAL.—As a condition on receipt of
18 a grant under this section, the water from wells
19 funded under this section shall be tested annually
20 for water quality, as determined by the Secretary.

21 “(2) RESULTS.—The results of tests under
22 paragraph (1) shall be made available to—

23 “(A) the users of the wells; and

24 “(B) the appropriate State agency.

1 “(e) LIMITATION.—The amount of a grant under this
2 section shall not exceed the lesser of—

3 “(1) \$50,000; or

4 “(2) the amount that is 75 percent of the cost
5 of a single well and associated system.

6 “(f) PROHIBITION.—The Secretary may not award
7 grants under this section in any area in which a majority
8 of the users of a proposed well have a household income
9 that is greater than the nonmetropolitan median house-
10 hold income of the State or territory, as determined by
11 the Secretary.

12 “(g) ADMINISTRATIVE EXPENSES.—Not more than
13 10 percent of the amount of a grant made under this sec-
14 tion may be used to pay administrative expenses associ-
15 ated with providing project assistance, as determined by
16 the Secretary.

17 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
18 is authorized to be appropriated to carry out this section
19 \$10,000,000 for each of fiscal years 2008 through 2012.”.

20 **SEC. 6014. COOPERATIVE EQUITY SECURITY GUARANTEE.**

21 Section 310B of the Consolidated Farm and Rural
22 Development Act (7 U.S.C. 1932) is amended—

23 (1) in the first sentence of subsection (a), by in-
24 serting “and private investment funds that invest

1 primarily in cooperative organizations” after “or
2 nonprofit”; and

3 (2) in subsection (g)—

4 (A) in paragraph (1), by inserting “, includ-
5 ing guarantees described in paragraph
6 (3)(A)(ii)” before the period at the end;

7 (B) in paragraph (3)(A)—

8 (i) by striking “(A) IN GENERAL.—
9 The Secretary” and inserting the following:
10 “(A) ELIGIBILITY.—

11 “(i) IN GENERAL.—The Secretary”;
12 and

13 (ii) by adding at the end the fol-
14 lowing:

15 “(ii) EQUITY.—The Secretary may
16 guarantee a loan made for the purchase of
17 preferred stock or similar equity issued by
18 a cooperative organization or a fund that
19 invests primarily in cooperative organiza-
20 tions, if the guarantee significantly bene-
21 fits 1 or more entities eligible for assist-
22 ance under subsection (a)(1), as deter-
23 mined by the Secretary.”; and

24 (C) in paragraph (8)(A)(ii), by striking “a
25 project—” and all that follows through the end

1 of subclause (II) and inserting “a project
2 that—

3 “(I)(aa) is in a rural area; and

4 “(bb) provides for the value-
5 added processing of agricultural com-
6 modities; or

7 “(II) significantly benefits 1 or
8 more entities eligible for assistance
9 under subsection (a)(1), as deter-
10 mined by the Secretary.”.

11 **SEC. 6015. RURAL COOPERATIVE DEVELOPMENT GRANTS.**

12 (a) ELIGIBILITY.—Section 310B(e)(5) of the Consoli-
13 dated Farm and Rural Development Act (7 U.S.C.
14 1932(e)(5)) is amended—

15 (1) in subparagraph (A), by striking “a nation-
16 ally coordinated, regionally or State-wide operated
17 project” and inserting “activities to promote and as-
18 sist the development of cooperatively- and mutually-
19 owned businesses”;

20 (2) in subparagraph (B), by inserting “to pro-
21 mote and assist the development of cooperatively-
22 and mutually-owned businesses” before the semi-
23 colon;

24 (3) by striking subparagraph (D);

1 (4) by redesignating subparagraph (E) as sub-
2 paragraph (D);

3 (5) in subparagraph (D) (as so redesignated),
4 by striking “and” at the end;

5 (6) by inserting after subparagraph (D) (as so
6 redesignated) the following:

7 “(E) demonstrate a commitment to—

8 “(i) networking with and sharing the
9 results of the efforts of the center with
10 other cooperative development centers and
11 other organizations involved in rural eco-
12 nomic development efforts; and

13 “(ii) developing multiorganization and
14 multistate approaches to addressing the co-
15 operative and economic development needs
16 of rural areas; and”;

17 (7) in subparagraph (F), by striking “providing
18 greater than” and inserting “providing”.

19 (b) AUTHORITY TO AWARD MULTIYEAR GRANTS.—
20 Section 310B(e) of the Consolidated Farm and Rural De-
21 velopment Act (7 U.S.C. 1932(e)) is amended by striking
22 paragraph (6) and inserting the following:

23 “(6) GRANT PERIOD.—

24 “(A) IN GENERAL.—A grant awarded to a
25 center that has received no prior funding under

1 this subsection shall be made for a period of 1
2 year.

3 “(B) MULTIYEAR GRANTS.—If the Sec-
4 retary determines it to be in the best interest
5 of the program, the Secretary shall award
6 grants for a period of more than 1 year, but
7 not more than 3 years, to a center that has suc-
8 cessfully met the goals described in paragraph
9 (3) in providing services under this subsection,
10 as determined by the Secretary.”.

11 (c) AUTHORITY TO EXTEND GRANT PERIOD.—Sec-
12 tion 310B(e) of the Consolidated Farm and Rural Devel-
13 opment Act (7 U.S.C. 1932(e)) is amended—

14 (1) by redesignating paragraphs (7), (8), and
15 (9) as paragraphs (8), (9), and (12), respectively;
16 and

17 (2) inserting after paragraph (6) the following:

18 “(7) AUTHORITY TO EXTEND GRANT PERIOD.—
19 The Secretary may extend for 1 additional 12-month
20 period the period in which a grantee may use a
21 grant made under this subsection.”.

22 (d) COOPERATIVE RESEARCH PROGRAM.—Section
23 310B(e) of the Consolidated Farm and Rural Develop-
24 ment Act (7 U.S.C. 1932(e)) is amended by inserting after

1 paragraph (9) (as redesignated by subsection (c)(1)) the
2 following:

3 “(10) COOPERATIVE RESEARCH PROGRAM.—

4 The Secretary shall enter into a cooperative research
5 agreement with 1 or more qualified academic institu-
6 tions in each fiscal year to conduct research on the
7 national economic effects of all types of coopera-
8 tives.”.

9 (e) ADDRESSING NEEDS OF MINORITY COMMU-
10 NITIES.—Section 310B(e) of the Consolidated Farm and
11 Rural Development Act (7 U.S.C. 1932(e)) is amended by
12 inserting after paragraph (10) (as added by subsection
13 (d)) the following:

14 “(11) ADDRESSING NEEDS OF MINORITY COM-
15 MUNITIES.—

16 “(A) DEFINITION OF SOCIALLY DISADVAN-
17 TAGED.—In this paragraph, the term ‘socially
18 disadvantaged’ has the meaning given the term
19 in section 355(e).

20 “(B) RESERVATION OF FUNDS.—

21 “(i) IN GENERAL.—If the total
22 amount appropriated under paragraph
23 (12) for a fiscal year exceeds \$7,500,000,
24 the Secretary shall reserve an amount
25 equal to 20 percent of the total amount ap-

1 appropriated for grants for cooperative devel-
2 opment centers, individual cooperatives, or
3 groups of cooperatives that serve socially
4 disadvantaged communities, a majority of
5 the boards of directors or governing boards
6 of which are comprised of socially dis-
7 advantaged individuals.

8 “(ii) INSUFFICIENT APPLICATIONS.—
9 To the extent that the Secretary deter-
10 mines that funds reserved under clause (i)
11 would not be used for grants described in
12 that clause due to insufficient applications
13 for the grants, the Secretary shall use the
14 funds as otherwise authorized by this sub-
15 section.”.

16 (f) AUTHORIZATION OF APPROPRIATIONS.—Para-
17 graph (12) of section 310B(e) of the Consolidated Farm
18 and Rural Development Act (7 U.S.C. 1932(e)) (as redes-
19 ignated by subsection (c)(1)) is amended by striking
20 “2007” and inserting “2012”.

21 **SEC. 6016. GRANTS TO BROADCASTING SYSTEMS.**

22 Section 310B(f)(3) of the Consolidated Farm and
23 Rural Development Act (7 U.S.C. 1932(f)(3)) is amended
24 by striking “2007” and inserting “2012”.

1 **SEC. 6017. LOCALLY-PRODUCED AGRICULTURAL FOOD**
2 **PRODUCTS.**

3 Section 310B(g) of the Consolidated Farm and Rural
4 Development Act (7 U.S.C. 1932(g)) is amended by add-
5 ing at the end the following:

6 “(9) LOCALLY-PRODUCED AGRICULTURAL FOOD
7 PRODUCTS.—

8 “(A) DEFINITIONS.—In this paragraph:

9 “(i) LOCALLY-PRODUCED AGRICUL-
10 TURAL FOOD PRODUCT.—The term ‘lo-
11 cally-produced agricultural food product’
12 means any agricultural product raised,
13 produced, and distributed in—

14 “(I) the locality or region in
15 which the final agricultural product is
16 marketed, so that the total distance
17 that the agricultural product is trans-
18 ported is less than 300 miles from the
19 origin of the agricultural product; or

20 “(II) the State in which the agri-
21 cultural product is produced.

22 “(ii) UNDERSERVED COMMUNITY.—
23 The term ‘underserved community’ means
24 a community (including an urban or rural
25 community and an Indian tribal commu-

1 nity) that has, as determined by the Sec-
2 retary—

3 “(I) limited access to affordable,
4 healthy foods, including fresh fruits
5 and vegetables, in grocery retail stores
6 or farmer-to-consumer direct markets
7 or a high incidence of a diet-related
8 disease as compared to the national
9 average, including obesity; and

10 “(II) a high rate of hunger or
11 food insecurity or a high poverty rate.

12 “(B) LOAN AND LOAN GUARANTEE PRO-
13 GRAM.—

14 “(i) IN GENERAL.—The Secretary,
15 acting through the Administrator of the
16 Rural Business-Cooperative Service in co-
17 ordination with the Administration of the
18 Agricultural Marketing Service, shall make
19 or guarantee loans to individuals, coopera-
20 tives, businesses, and other entities to es-
21 tablish and facilitate enterprises that proc-
22 ess, distribute, aggregate, store, and mar-
23 ket locally-produced agricultural food prod-
24 ucts.

1 “(ii) REQUIREMENT.—The recipient
2 of a loan or loan guarantee under clause
3 (i) shall agree to make a reasonable effort,
4 as determined by the Secretary, to work
5 with retail and institutional facilities to
6 which the recipient sells locally-produced
7 agricultural food products to inform the
8 consumers of the retail or institutional fa-
9 cilities that the consumers are purchasing
10 or consuming locally-produced agricultural
11 food products.

12 “(iii) PRIORITY.—In making or guar-
13 anteeing a loan under clause (i), the Sec-
14 retary shall give priority to—

15 “(I) projects that support com-
16 munity development and farm and
17 ranch income by marketing, distrib-
18 uting, storing, aggregating, or proc-
19 essing a locally-produced agricultural
20 food product; and

21 “(II) projects that have compo-
22 nents benefitting underserved commu-
23 nities.

24 “(iv) RETAIL OR INSTITUTIONAL FA-
25 CILITIES.—The Secretary may allow recipi-

1 ents of loans or loan guarantees under
2 clause (i) to provide up to \$250,000 in
3 loan or loan guarantee funds per retail or
4 institutional facility for an underserved
5 community in a rural or nonrural area to
6 help retail facilities—

7 “(I) to modify and update the fa-
8 cilities to accommodate locally-pro-
9 duced agricultural food products; and

10 “(II) to provide outreach to con-
11 sumers about the sale of locally-pro-
12 duced agricultural food products.

13 “(v) REPORTS.—Not later than 1
14 year after the date of enactment of this
15 paragraph and annually thereafter, the
16 Secretary shall submit to the Committee
17 on Agriculture of the House of Representa-
18 tives and the Committee on Agriculture,
19 Nutrition, and Forestry of the Senate a re-
20 port that describes projects carried out
21 using loans or loan guarantees made under
22 clause (i), including—

23 “(I) the characteristics of the
24 communities served by the projects;
25 and

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1 “(II) benefits of the projects.

2 “(vi) RESERVATION OF FUNDS.—

3 “(I) IN GENERAL.—For each of
4 fiscal years 2008 through 2012, the
5 Secretary shall reserve not less than 5
6 percent of the funds made available to
7 carry out this subsection to carry out
8 this subparagraph.

9 “(II) AVAILABILITY OF FUNDS.—

10 Funds reserved under subclause (I)
11 for a fiscal year shall be reserved until
12 April 1 of the fiscal year.”.

13 **SEC. 6018. CENTER FOR HEALTHY FOOD ACCESS AND EN-**
14 **TERPRISE DEVELOPMENT.**

15 Paragraph (9) of section 310B(g) of the Consolidated
16 Farm and Rural Development Act (7 U.S.C. 1932(g)) (as
17 added by section 6017) is amended by adding at the end
18 the following:

19 “(C) CENTER FOR HEALTHY FOOD ACCESS
20 AND ENTERPRISE DEVELOPMENT.—

21 “(i) IN GENERAL.—The Secretary,
22 acting through the Agricultural Marketing
23 Service, shall establish and support a Cen-
24 ter for Healthy Food Access and Enter-
25 prise Development.

1 “(ii) DUTIES.—The Center estab-
2 lished under clause (i) shall contract with
3 1 or more nonprofit entities to provide
4 technical assistance and disseminate infor-
5 mation to food wholesalers and retailers
6 concerning best practices for the aggre-
7 gating, storage, processing, and marketing
8 of locally-produced agricultural food prod-
9 ucts.

10 “(iii) DEADLINE.—The Secretary
11 shall establish the Center not later than
12 180 days after the date on which funds are
13 made available under clause (iv).

14 “(iv) AUTHORIZATION OF APPROPRIA-
15 TIONS.—There is authorized to be appro-
16 priated to carry out this subparagraph
17 \$1,000,000 for each of fiscal years 2008
18 through 2012.”.

19 **SEC. 6019. APPROPRIATE TECHNOLOGY TRANSFER FOR**
20 **RURAL AREAS.**

21 Section 310B of the Consolidated Farm and Rural
22 Development Act (7 U.S.C. 1932) is amended by adding
23 at the end the following:

24 “(i) APPROPRIATE TECHNOLOGY TRANSFER FOR
25 RURAL AREAS PROGRAM.—

1 “(1) DEFINITION OF NATIONAL NONPROFIT AG-
2 RICULTURAL ASSISTANCE INSTITUTION.—In this
3 subsection, the term ‘national nonprofit agricultural
4 assistance institution’ means an organization that—

5 “(A) is described in section 501(c)(3) of
6 the Internal Revenue Code of 1986 and exempt
7 from taxation under 501(a) of that Code;

8 “(B) has staff and offices in multiple re-
9 gions of the United States;

10 “(C) has experience and expertise in oper-
11 ating national sustainable agriculture technical
12 assistance programs; and

13 “(D) provides the technical assistance
14 through toll-free hotlines, 1 or more websites,
15 publications, and workshops.

16 “(2) ESTABLISHMENT.—The Secretary shall es-
17 tablish a national appropriate technology transfer
18 for rural areas program to assist agricultural pro-
19 ducers that are seeking information to help the agri-
20 cultural producers—

21 “(A) reduce input costs;

22 “(B) conserve energy resources;

23 “(C) diversify operations through new en-
24 ergy crops and energy generation facilities; and

1 “(D) expand markets for the agricultural
2 commodities produced by the producers through
3 use of practices involving sustainable agri-
4 culture.

5 “(3) IMPLEMENTATION.—

6 “(A) IN GENERAL.—The Secretary shall
7 carry out the program under this subsection by
8 making a grant to, or offering to enter into a
9 cooperative agreement with, a national non-
10 profit agricultural assistance organization.

11 “(B) GRANT AMOUNT.—A grant made, or
12 cooperative agreement entered into, under sub-
13 paragraph (A) shall provide 100 percent of the
14 cost of providing information described in para-
15 graph (2).

16 “(4) AUTHORIZATION OF APPROPRIATIONS.—
17 There are authorized to be appropriated to carry out
18 this subsection \$5,000,000 for each of fiscal years
19 2008 through 2012.”.

20 **SEC. 6020. RURAL ECONOMIC AREA PARTNERSHIP ZONES.**

21 Section 310B of the Consolidated Farm and Rural
22 Development Act (7 U.S.C. 1932) (as amended by section
23 6019) is amended by adding at the end the following:

24 “(j) RURAL ECONOMIC AREA PARTNERSHIP
25 ZONES.—For the period beginning on the date of enact-

1 ment of this subsection and ending on September 30,
2 2012, the Secretary shall carry out rural economic area
3 partnership zones in the States of New York, North Da-
4 kota, and Vermont, in accordance with the terms and con-
5 ditions contained in the memorandums of agreement en-
6 tered into by the Secretary for the rural economic area
7 partnership zones, except as otherwise provided in this
8 subsection.”.

9 **SEC. 6021. DEFINITIONS.**

10 (a) RURAL AREA.—Section 343(a) of the Consoli-
11 dated Farm and Rural Development Act (7 U.S.C.
12 1991(a)) is amended by striking paragraph (13) and in-
13 serting the following:

14 “(13) RURAL AND RURAL AREA.—

15 “(A) IN GENERAL.—Subject to subpara-
16 graphs (B) and (C), the terms ‘rural’ and ‘rural
17 area’ mean any area other than—

18 “(i) a city or town that has a popu-
19 lation of greater than 50,000 inhabitants,
20 except that, for all activities under pro-
21 grams in the rural development mission
22 area within the areas of the County of
23 Honolulu, Hawaii, and the Commonwealth
24 of Puerto Rico, the Secretary may des-
25 ignate any portion of the areas as a rural

1 area or eligible rural community that the
2 Secretary determines is not urban in char-
3 acter, other than any area included in the
4 Honolulu Census Designated Place or the
5 San Juan Census Designated Place;

6 “(ii) any urbanized area (as defined
7 by the Bureau of the Census) contiguous
8 and adjacent to a city or town described in
9 clause (i); and

10 “(iii) any collection of census blocks
11 contiguous to each other (as defined by the
12 Bureau of the Census) that—

13 “(I) is adjacent to a city or town
14 described in clause (i) or an urbanized
15 area described in clause (ii); and

16 “(II) has a housing density that
17 the Secretary estimates is greater
18 than 200 housing units per square
19 mile, except that an applicant may ap-
20 peal the estimate based on actual data
21 for the area.

22 “(B) WATER AND WASTE DISPOSAL
23 GRANTS AND DIRECT AND GUARANTEED
24 LOANS.—For the purpose of water and waste
25 disposal grants and direct and guaranteed loans

1 provided under paragraphs (1), (2), and (24) of
2 section 306(a), the terms ‘rural’ and ‘rural
3 area’ mean any area other than—

4 “(i) an area described in clause (i),
5 (ii), or (iii) of subparagraph (A); and

6 “(ii) a city, town, or unincorporated
7 area that has a population of greater than
8 10,000 inhabitants.

9 “(C) COMMUNITY FACILITY LOANS AND
10 GRANTS.—For the purpose of community facil-
11 ity direct and guaranteed loans and grants
12 under paragraphs (1), (19), (20), (21), and
13 (24) of section 306(a), the terms ‘rural’ and
14 ‘rural area’ mean any area other than—

15 “(i) an area described in clause (i),
16 (ii), or (iii) of subparagraph (A); and

17 “(ii) a city, town, or unincorporated
18 area that has a population of greater than
19 20,000 inhabitants.”.

20 (b) ADDITIONAL TERMS.—Section 343(a) of the Con-
21 solidated Farm and Rural Development Act (7 U.S.C.
22 1991(a)) is amended by adding at the end the following:

23 “(14) SUSTAINABLE AGRICULTURE.—The term
24 ‘sustainable agriculture’ means an integrated system
25 of plant and animal production practices having a

1 site-specific application that will, over the long-
2 term—

3 “(A) satisfy human food and fiber needs;

4 “(B) enhance environmental quality and
5 the natural resource base upon which the agri-
6 culture economy depends;

7 “(C) make the most efficient use of non-
8 renewable resources and on-farm resources and
9 integrate, where appropriate, natural biological
10 cycles and controls;

11 “(D) sustain the economic viability of farm
12 operations; and

13 “(E) enhance the quality of life for farm-
14 ers and society as a whole.

15 “(15) TECHNICAL ASSISTANCE.—The term
16 ‘technical assistance’ means managerial, financial,
17 operational, and scientific analysis and consultation
18 to assist an individual or entity (including a bor-
19 rower or potential borrower under this title)—

20 “(A) to identify and evaluate practices, ap-
21 proaches, problems, opportunities, or solutions;
22 and

23 “(B) to assist in the planning, implementa-
24 tion, management, operation, marketing, or

1 maintenance of projects authorized under this
2 title.”.

3 **SEC. 6022. RURAL MICROENTERPRISE ASSISTANCE PRO-**
4 **GRAM.**

5 Subtitle D of the Consolidated Farm and Rural De-
6 velopment Act (as amended by section 5207) is amended
7 by inserting after section 365 the following:

8 **“SEC. 366. RURAL MICROENTERPRISE ASSISTANCE PRO-**
9 **GRAM.**

10 “(a) DEFINITIONS.—In this section:

11 “(1) INDIAN TRIBE.—The term ‘Indian tribe’
12 has the meaning given the term in section 4 of the
13 Indian Self-Determination and Education Assistance
14 Act (25 U.S.C. 450b).

15 “(2) LOW- OR MODERATE-INCOME INDIVIDUAL.—The term ‘low- or moderate-income indi-
16 vidual’ means an individual with an income (ad-
17 justed for family size) of not more than 80 percent
18 of the national median income.

19 “(3) MICROCREDIT.—The term ‘microcredit’
20 means a business loan or loan guarantee of not more
21 than \$50,000 that is provided to a rural microenter-
22 prise.
23

1 “(4) MICROENTERPRISE DEVELOPMENT ORGA-
2 NIZATION.—The term ‘microenterprise development
3 organization’ means an organization that—

4 “(A) is—

5 “(i) a nonprofit entity;

6 “(ii) an Indian tribe, the tribal gov-
7 ernment of which certifies to the Secretary
8 that no microenterprise development orga-
9 nization or microenterprise development
10 program exists under the jurisdiction of
11 the Indian tribe; or

12 “(iii) for the purpose of subsection
13 (b), a public institution of higher edu-
14 cation;

15 “(B) provides training and technical assist-
16 ance to rural microenterprises;

17 “(C) facilitates access to capital or another
18 service described in subsection (b) for rural
19 microenterprises; and

20 “(D) has a demonstrated record of deliv-
21 ering services to economically disadvantaged
22 microenterprises, or an effective plan to develop
23 a program to deliver microenterprise services to
24 rural microenterprises effectively, as determined
25 by the Secretary.

1 “(5) RURAL CAPACITY BUILDING SERVICE.—

2 The term ‘rural capacity building service’ means a
3 service provided to an organization that—

4 “(A) is, or is in the process of becoming,
5 a microenterprise development organization;
6 and

“(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other services relating to rural development.

11 “(6) RURAL MICROENTERPRISE.—

“(A) IN GENERAL.—The term ‘rural microenterprise’ means an individual described in subparagraph (B) who is unable to obtain sufficient training, technical assistance, or microcredit other than under this section, as determined by the Secretary.

18 “(B) DESCRIPTION.—An individual de-
19 scribed in this subparagraph is—

20 “(i) a self-employed individual located
21 in a rural area; or

“(ii) an owner and operator, or prospective owner and operator, of a business entity located in a rural area with not

1 more than 10 full-time-equivalent employ-
2 ees.

3 “(7) SECRETARY.—The term ‘Secretary’ means
4 the Secretary of Agriculture, acting through the
5 Rural Business-Cooperative Service.

6 “(b) RURAL MICROENTERPRISE PROGRAM.—

7 “(1) ESTABLISHMENT.—The Secretary shall es-
8 tablish a rural microenterprise program.

9 “(2) PURPOSE.—The purpose of the rural
10 microenterprise program shall be to provide low- or
11 moderate-income individuals with—

12 “(A) the skills necessary to establish new
13 rural microenterprises; and

14 “(B) continuing technical and financial as-
15 sistance as individuals and business starting or
16 operating rural microenterprises.

17 “(3) GRANTS.—

18 “(A) IN GENERAL.—The Secretary may
19 make a grant under the rural microenterprise
20 program to microenterprise development organi-
21 zations—

22 “(i) to provide training, operational
23 support, business planning assistance,
24 market development assistance, and other
25 related services to rural microenterprises,

1 with an emphasis on rural microenterprises
2 that —

3 “(I) are composed of low- or
4 moderate-income individuals; or

5 “(II) are in areas that have lost
6 population;

7 “(ii) to assist in researching and de-
8 veloping the best practices in delivering
9 training, technical assistance, and micro-
10 credit to rural microenterprises; and

11 “(iii) to carry out such other projects
12 and activities as the Secretary determines
13 to be consistent with the purposes of this
14 section.

15 “(B) DIVERSITY.—In making grants under
16 this paragraph, the Secretary shall ensure, to
17 the maximum extent practicable, that grant re-
18 cipients include microenterprise development or-
19 ganizations—

20 “(i) of varying sizes; and

21 “(ii) that serve racially- and eth-
22 nically-diverse populations.

23 “(C) COST SHARING.—

24 “(i) FEDERAL SHARE.—The Federal
25 share of the cost of a project carried out

1 using funds from a grant made under this
2 paragraph shall be 75 percent.

3 “(ii) FORM OF NON-FEDERAL
4 SHARE.—The non-Federal share of the
5 cost of a project described in clause (i)
6 may be provided—

7 “(I) in cash (including through
8 fees, grants (including community de-
9 velopment block grants), and gifts); or

10 “(II) as in-kind contributions.

11 “(4) RURAL MICROLOAN PROGRAM.—

12 “(A) ESTABLISHMENT.—In carrying out
13 the rural microenterprise program, the Sec-
14 retary may carry out a rural microloan pro-
15 gram.

16 “(B) PURPOSE.—The purpose of the rural
17 microloan program shall be to provide technical
18 and financial assistance to rural microenter-
19 prises that—

20 “(i) are composed of low- or mod-
21 erate-income individuals; or

22 “(ii) are in areas that have lost popu-
23 lation.

1 “(C) AUTHORITY OF SECRETARY.—In car-
2 rying out the rural microloan program, the Sec-
3 retary may—

4 “(i) make direct loans to
5 microentrerpise development organizations
6 for the purpose of making fixed interest
7 rate microloans to startup, newly estab-
8 lished, and growing rural microenterprises;
9 and

10 “(ii) in conjunction with those loans,
11 provide technical assistance grants in ac-
12 cordance with subparagraph (E) to those
13 microentrerpise development organiza-
14 tions.

15 “(D) LOAN DURATION; INTEREST RATES;
16 CONDITIONS.—

17 “(i) LOAN DURATION.—A direct loan
18 made by the Secretary under this para-
19 graph shall be for a term not to exceed 20
20 years.

21 “(ii) APPLICABLE INTEREST RATE.—
22 A direct loan made by the Secretary under
23 this paragraph shall bear an annual inter-
24 est rate of 1 percent.

1 “(iii) LOAN LOSS RESERVE FUND.—

2 The Secretary shall require each
3 microenterprise development organization
4 that receives a direct loan under this para-
5 graph to—

6 “(I) establish a loan loss reserve
7 fund; and

8 “(II) maintain the reserve fund
9 in an amount equal to at least 5 per-
10 cent of the outstanding balance of
11 such loans owed by the
12 microenterprise development organi-
13 zation, until all obligations owed to
14 the Secretary under this paragraph
15 are repaid.

16 “(iv) DEFERRAL OF INTEREST AND
17 PRINCIPAL.—The Secretary shall permit
18 the deferral of payments on principal and
19 interest due on a loan made under this
20 paragraph during the 2-year period begin-
21 ning on the date on which the loan is
22 made.

23 “(E) TECHNICAL ASSISTANCE GRANT
24 AMOUNTS.—

1 “(i) IN GENERAL.—Except as other-
2 wise provided in this section, each
3 microenterprise development organization
4 that receives a direct loan under this para-
5 graph shall be eligible to receive a technical
6 assistance grant to provide marketing,
7 management, and technical assistance to
8 rural microenterprises that are borrowers
9 or potential borrowers under this sub-
10 section.

11 “(ii) MAXIMUM AMOUNT OF TECH-
12 NICAL ASSISTANCE GRANT FOR MICRO-
13 ENTERPRISE DEVELOPMENT ORGANIZA-
14 TIONS.—Each microenterprise development
15 organization that receives a direct loan
16 under this paragraph shall receive an an-
17 nual technical assistance grant in an
18 amount equal to not more than 25 percent
19 of the total outstanding balance of
20 microloans made by the microenterprise
21 development organization under this para-
22 graph, as of the date of provision of the
23 technical assistance grant.

24 “(iii) MATCHING REQUIREMENT.—

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1 “(I) IN GENERAL.—As a condi-
2 tion of any grant made to a
3 microenterprise development organi-
4 zation under this subparagraph, the
5 Secretary shall require the
6 microenterprise development organi-
7 zation to match not less than 15 per-
8 cent of the total amount of the grant.

9 “(II) FORM OF NON-FEDERAL
10 SHARE.—The non-Federal share of
11 the cost of a project described in sub-
12 clause (I) may be provided—

13 “(aa) in cash; or

14 “(bb) as indirect costs or in-
15 kind contributions.

16 “(c) ADMINISTRATIVE EXPENSES.—Not more than
17 10 percent of a grant received by a microenterprise devel-
18 opment organization for a fiscal year under this section
19 may be used to pay administrative expenses.

20 “(d) FUNDING.—

21 “(1) MANDATORY FUNDING.—

22 “(A) IN GENERAL.—Of the funds of the
23 Commodity Credit Corporation, the Secretary
24 shall use to carry out this section \$40,000,000

1 for fiscal year 2008, to remain available until
2 expended.

3 “(B) ALLOCATION OF FUNDS.—Of the
4 amount made available by subparagraph (A) for
5 fiscal year 2008—

6 “(i) not less than \$25,000,000 shall
7 be available for use in carrying out sub-
8 section (b)(3); and

9 “(ii) not less than \$15,000,000 shall
10 be available for use in carrying out sub-
11 section (b)(4), of which not more than
12 \$7,000,000 shall be used for the cost of di-
13 rect loans.

14 “(2) AUTHORIZATION OF APPROPRIATIONS.—In
15 addition to amounts made available under paragraph
16 (1), there are authorized to be appropriated such
17 sums as are necessary to carry out this section for
18 each of fiscal years 2009 through 2012.”.

19 **SEC. 6023. ARTISANAL CHEESE CENTERS.**

20 Subtitle D of the Consolidated Farm and Rural De-
21 velopment Act is amended by inserting after section 366
22 (as added by section 6022) the following:

23 **“SEC. 367. ARTISANAL CHEESE CENTERS.**

24 “(a) IN GENERAL.—The Secretary shall establish
25 artisanal cheese centers to provide educational and tech-

1 nical assistance relating to the manufacture and mar-
2 keting of artisanal cheese by small- and medium-sized pro-
3 ducers and businesses.

4 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
5 is authorized to be appropriated such sums as are nec-
6 essary to carry out this section for each of fiscal years
7 2008 through 2012.”.

8 **SEC. 6024. NATIONAL RURAL DEVELOPMENT PARTNER-**
9 **SHIP.**

10 Section 378 of the Consolidated Farm and Rural De-
11 velopment Act (7 U.S.C. 2008m) is amended—

12 (1) in subsection (g)(1), by striking “2007”
13 and inserting “2012”; and

14 (2) in subsection (h), by striking “the date that
15 is 5 years after the date of enactment of this sec-
16 tion” and inserting “September 30, 2012”.

17 **SEC. 6025. HISTORIC BARN PRESERVATION.**

18 Section 379A(c) of the Consolidated Farm and Rural
19 Development Act (7 U.S.C. 2008o(c)) is amended—

20 (1) by striking paragraph (2) and inserting the
21 following:

22 “(2) ELIGIBLE PROJECTS.—

23 “(A) IN GENERAL.—A grant under this
24 subsection may be made to an eligible applicant
25 for a project—

1 “(i) to rehabilitate or repair a historic
2 barn;

3 “(ii) to preserve a historic barn; and

4 “(iii) to identify, document, survey,
5 and conduct research on a historic barn or
6 historic farm structure to develop and
7 evaluate appropriate techniques or best
8 practices for protecting historic barns.

9 “(B) PRIORITY.—The Secretary shall give
10 the highest funding priority to grants for
11 projects described in subparagraph (A)(iii).”;
12 and

13 (2) in paragraph (4), by striking “2007” and
14 inserting “2012”.

15 **SEC. 6026. GRANTS FOR NOAA WEATHER RADIO TRANSMIT-**
16 **TERS.**

17 Section 379B(d) of the Consolidated Farm and Rural
18 Development Act (7 U.S.C. 2008p(d)) is amended by
19 striking “2007” and inserting “2012”.

1 **SEC. 6027. GRANTS TO TRAIN FARM WORKERS IN NEW**
2 **TECHNOLOGIES AND TO TRAIN FARM WORK-**
3 **ERS IN SPECIALIZED SKILLS NECESSARY FOR**
4 **HIGHER VALUE CROPS.**

5 Section 379C(c) of the Consolidated Farm and Rural
6 Development Act (7 U.S.C. 2008q(c)) is amended by
7 striking “2007” and inserting “2012”.

8 **SEC. 6028. GRANTS FOR EXPANSION OF EMPLOYMENT OP-**
9 **PORTUNITIES FOR INDIVIDUALS WITH DIS-**
10 **ABILITIES IN RURAL AREAS.**

11 Subtitle D of the Consolidated Farm and Rural De-
12 velopment Act (7 U.S.C. 1981 et seq.) is amended by add-
13 ing at the end the following:

14 **“SEC. 379E. GRANTS FOR EXPANSION OF EMPLOYMENT OP-**
15 **PORTUNITIES FOR INDIVIDUALS WITH DIS-**
16 **ABILITIES IN RURAL AREAS.**

17 “(a) DEFINITIONS.—In this section:

18 “(1) INDIVIDUAL WITH A DISABILITY.—The
19 term ‘individual with a disability’ means an indi-
20 vidual with a disability (as defined in section 3 of
21 the Americans with Disabilities Act of 1990 (42
22 U.S.C. 12102)).

23 “(2) INDIVIDUALS WITH DISABILITIES.—The
24 term ‘individuals with disabilities’ means more than
25 1 individual with a disability.

1 “(b) GRANTS.—The Secretary shall make grants to
2 nonprofit organizations, or to a consortium of nonprofit
3 organizations, to expand and enhance employment oppor-
4 tunities for individuals with disabilities in rural areas.

5 “(c) ELIGIBILITY.—To be eligible to receive a grant
6 under this section, a nonprofit organization or consortium
7 of nonprofit organizations shall have—

8 “(1) a significant focus on serving the needs of
9 individuals with disabilities;

10 “(2) demonstrated knowledge and expertise
11 in—

12 “(A) employment of individuals with dis-
13 abilities; and

14 “(B) advising private entities on accessi-
15 bility issues involving individuals with disabil-
16 ities;

17 “(3) expertise in removing barriers to employ-
18 ment for individuals with disabilities, including ac-
19 cess to transportation, assistive technology, and
20 other accommodations;

21 “(4) existing relationships with national organi-
22 zations focused primarily on the needs of rural
23 areas;

24 “(5) affiliates in a majority of the States; and

1 “(6) a close working relationship with the De-
2 partment of Agriculture.

3 “(d) USES.—A grant received under this section may
4 be used only to expand or enhance—

5 “(1) employment opportunities for individuals
6 with disabilities in rural areas by developing national
7 technical assistance and education resources to as-
8 sist small businesses in a rural area to recruit, hire,
9 accommodate, and employ individuals with disabili-
10 ties; and

11 “(2) self-employment and entrepreneurship op-
12 portunities for individuals with disabilities in a rural
13 area.

14 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
15 is authorized to be appropriated to carry out this section
16 \$2,000,000 for each of fiscal years 2008 through 2012.”.

17 **SEC. 6029. DELTA REGIONAL AUTHORITY.**

18 (a) HEALTH CARE SERVICES.—Section 382C of the
19 Consolidated Farm and Rural Development Act (7 U.S.C.
20 2009aa–2) is amended by adding at the end the following:

21 “(c) HEALTH CARE SERVICES.—

22 “(1) IN GENERAL.—Subject to the availability
23 of appropriated funds, the Secretary may award a
24 grant to the Delta Health Alliance for the develop-
25 ment of health care services, health education pro-

1 grams, and health care job training programs fields,
2 and for the development and expansion of public
3 health-related facilities, in the Mississippi Delta re-
4 gion to address longstanding and unmet health
5 needs in the Mississippi Delta region.

6 “(2) USE.—As a condition of the receipt of the
7 grant, the Delta Health Alliance shall use the grant
8 to fund projects and activities described in para-
9 graph (1), based on input solicited from local gov-
10 ernments, public health care providers, and other en-
11 tities in the Mississippi Delta region.

12 “(3) FEDERAL INTEREST IN PROPERTY.—Not-
13 withstanding any other provision of law, with respect
14 to the use of grant funds provided under this sub-
15 section for a project involving the construction or
16 major alteration of property, the Federal interest in
17 the property shall terminate on the earlier of—

18 “(A) the date that is 1 year after the date
19 of the completion of the project; or

20 “(B) the date on which the Federal Gov-
21 ernment is compensated for the proportionate
22 interest of the Federal Government in the prop-
23 erty, if the use of the property changes or the
24 property is transferred or sold.”.

1 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
2 382M(a) of the Consolidated Farm and Rural Develop-
3 ment Act (7 U.S.C. 2009aa–12(a)) is amended by striking
4 “2007” and inserting “2012”.

5 (c) TERMINATION OF AUTHORITY.—Section 382N of
6 the Consolidated Farm and Rural Development Act (7
7 U.S.C. 2009aa–13) is amended by striking “2007” and
8 inserting “2012”.

9 (d) DELTA REGION AGRICULTURAL ECONOMIC DE-
10 VELOPMENT.—Section 379D(b) of the Consolidated Farm
11 and Rural Development Act (7 U.S.C. 2008r(b)) is
12 amended by striking “2007” and inserting “2012”.

13 **SEC. 6030. NORTHERN GREAT PLAINS REGIONAL AUTHOR-**
14 **ITY.**

15 (a) ESTABLISHMENT.—Section 383B of the Consoli-
16 dated Farm and Rural Development Act (7 U.S.C.
17 2009bb–1) is amended—

18 (1) in subsection (a), by adding at the end the
19 following:

20 “(4) FAILURE TO CONFIRM.—

21 “(A) FEDERAL MEMBER.—Notwith-
22 standing any other provision of this section, if
23 a Federal member described in paragraph
24 (2)(A) has not been confirmed by the Senate by
25 not later than 180 days after the date of enact-

1 ment of this paragraph, the Authority may or-
2 ganize and operate without the Federal mem-
3 ber.

4 “(B) INDIAN CHAIRPERSON.—Notwith-
5 standing any other provision of this section, if
6 a chairperson of an Indian Tribe described in
7 paragraph (2)(C) has not been confirmed by
8 the Senate by not later than 180 days after the
9 date of enactment of this paragraph, the lead-
10 ers of the Indian tribes in the region may select
11 that member.”;

12 (2) in subsection (d)—

13 (A) in paragraph (1), by striking “to es-
14 tablish priorities and” and inserting “for
15 multistate cooperation to advance the economic
16 and social well-being of the region and to”

17 (B) in paragraph (3), by striking “local de-
18 velopment districts,” and inserting “regional
19 and local development districts or organizations,
20 regional boards established under subtitle I,”;

21 (C) in paragraph (4), by striking “coopera-
22 tion;” and inserting “cooperation for—

23 “(i) renewable energy development
24 and transmission;

1 “(ii) transportation planning and eco-
2 nomic development;

3 “(iii) information technology;

4 “(iv) movement of freight and individ-
5 uals within the region;

6 “(v) federally-funded research at insti-
7 tutions of higher education; and

8 “(vi) conservation land manage-
9 ment;”;

10 (D) by striking paragraph (6) and insert-
11 ing the following:

12 “(6) enhance the capacity of, and provide sup-
13 port for, multistate development and research orga-
14 nizations, local development organizations and dis-
15 tricts, and resource conservation districts in the re-
16 gion;” and

17 (E) in paragraph (7), by inserting “renew-
18 able energy,” after “commercial,”.

19 (3) in subsection (f)(2), by striking “the Fed-
20 eral cochairperson” and inserting “a cochairperson”;

21 (4) in subsection (g)(1), by striking subpara-
22 graphs (A) through (C) and inserting the following:

23 “(A) for each of fiscal years 2008 and
24 2009, 100 percent;

25 “(B) for fiscal year 2010, 75 percent; and

1 “(C) for fiscal year 2011 and each fiscal
2 year thereafter, 50 percent.”.

3 (b) INTERSTATE COOPERATION FOR ECONOMIC OP-
4 PORTUNITY AND EFFICIENCY.—

5 (1) IN GENERAL.—Subtitle G of the Consoli-
6 dated Farm and Rural Development Act is amend-
7 ed—

8 (A) by redesignating sections 383C
9 through 383N (7 U.S.C. 2009bb–2 through
10 2009bb–13) as sections 383D through 383O,
11 respectively; and

12 (B) by inserting after section 383B (7
13 U.S.C. 2009bb–1) the following:

14 **“SEC. 383C. INTERSTATE COOPERATION FOR ECONOMIC**
15 **OPPORTUNITY AND EFFICIENCY.**

16 “(a) IN GENERAL.—The Authority shall provide as-
17 sistance to States in developing regional plans to address
18 multistate economic issues, including plans—

19 “(1) to develop a regional transmission system
20 for movement of renewable energy to markets out-
21 side the region,

22 “(2) to assist in the harmonization of transpor-
23 tation policies and regulations that impact the inter-
24 state movement of goods and individuals, including

1 the establishment of a Northern Great Plains Re-
2 gional Transportation Working Group;

3 “(3) to encourage and support interstate col-
4 laboration on federally-funded research that is in the
5 national interest; and

6 “(4) to establish a Regional Working Group on
7 Agriculture Development and Transportation.

8 “(b) ECONOMIC ISSUES.—The multistate economic
9 issues referred to in subsection (a) shall include—

10 “(1) renewable energy development and trans-
11 mission;

12 “(2) transportation planning and economic de-
13 velopment;

14 “(3) information technology;

15 “(4) movement of freight and individuals within
16 the region;

17 “(5) federally-funded research at institutions of
18 higher education; and

19 “(6) conservation land management.”.

20 (2) CONFORMING AMENDMENTS.—

21 (A) Section 383B(c)(3)(B) of the Consoli-
22 dated Farm and Rural Development Act (7
23 U.S.C. 2009bb–1(c)(3)(B)) is amended by
24 striking “383I” and inserting “383J”.

1 (B) Section 383D(a) of the Consolidated
2 Farm and Rural Development Act (as redesign-
3 nated by paragraph (1)(A)) is amended by
4 striking “383I” and inserting “383J”.

5 (C) Section 383E of the Consolidated
6 Farm and Rural Development Act (as so redes-
7 ignated) is amended—

8 (i) in subsection (b)(1), by striking
9 “383F(b)” and inserting “383G(b)”; and

10 (ii) in subsection (c)(2)(A), by strik-
11 ing “383I” and inserting “383J”.

12 (D) Section 383G of the Consolidated
13 Farm and Rural Development Act (as so redes-
14 ignated) is amended—

15 (i) in subsection (b)—

16 (I) in paragraph (1), by striking
17 “383M” and inserting “383N”; and

18 (II) in paragraph (2), by striking
19 “383D(b)” and inserting “383E(b)”; and

20 (ii) in subsection (c)(2)(A), by strik-
21 ing “383E(b)” and inserting “383F(b)”; and

22 and

23 (iii) in subsection (d)—

24 (I) by striking “383M” and in-
25 serting “383N”; and

1 (II) by striking “383C(a)” and
2 inserting “383D(a)”.

3 (E) Section 383J(c)(2) of the Consolidated
4 Farm and Rural Development Act (as so rededesignated)
5 is amended by striking “383H” and
6 inserting “383I”.

7 (c) ECONOMIC AND COMMUNITY DEVELOPMENT
8 GRANTS.—Section 383D of the Consolidated Farm and
9 Rural Development Act (as redesignated by subsection
10 (b)(1)(A)) is amended—

11 (1) in subsection (a)—

12 (A) in paragraph (1), by striking “trans-
13 portation and telecommunication” and inserting
14 “transportation, renewable energy transmission,
15 and telecommunication”; and

16 (B) by redesignating paragraphs (1) and
17 (2) as paragraphs (2) and (1), respectively, and
18 moving those paragraphs so as to appear in nu-
19 merical order; and

20 (2) in subsection (b)(2), by striking “the activi-
21 ties in the following order or priority” and inserting
22 “the following activities”.

23 (d) SUPPLEMENTS TO FEDERAL GRANT PRO-
24 GRAMS.—Section 383E(a) of the Consolidated Farm and
25 Rural Development Act (as redesignated by subsection

1 (b)(1)(A)) is amended by striking “, including local devel-
2 opment districts,”.

3 (e) MULTISTATE AND LOCAL DEVELOPMENT DIS-
4 TRICTS AND ORGANIZATIONS AND NORTHERN GREAT
5 PLAINS INC.—Section 383F of the Consolidated Farm
6 and Rural Development Act (as redesignated by sub-
7 section (b)(1)(A)) is amended—

8 (1) by striking the section heading and insert-
9 ing “**MULTISTATE AND LOCAL DEVELOPMENT**
10 **DISTRICTS AND ORGANIZATIONS AND NORTH-**
11 **ERN GREAT PLAINS INC.**”;

12 (2) by striking subsections (a) and (b) and in-
13 serting the following:

14 “(a) DEFINITION OF MULTISTATE AND LOCAL DE-
15 VELOPMENT DISTRICT OR ORGANIZATION.—In this sec-
16 tion, the term ‘multistate and local development district
17 or organization’ means an entity—

18 “(1) that—

19 “(A) is a planning district in existence on
20 the date of enactment of this subtitle that is
21 recognized by the Economic Development Ad-
22 ministration of the Department of Commerce;
23 or

24 “(B) is—

1 “(i) organized and operated in a man-
2 ner that ensures broad-based community
3 participation and an effective opportunity
4 for other nonprofit groups to contribute to
5 the development and implementation of
6 programs in the region;

7 “(ii) a nonprofit incorporated body or-
8 ganized or chartered under the law of the
9 State in which the entity is located;

10 “(iii) a nonprofit agency or instru-
11 mentality of a State or local government;

12 “(iv) a public organization established
13 before the date of enactment of this sub-
14 title under State law for creation of multi-
15 jurisdictional, area-wide planning organiza-
16 tions;

17 “(v) a nonprofit agency or instrumen-
18 tality of a State that was established for
19 the purpose of assisting with multistate co-
20 operation; or

21 “(vi) a nonprofit association or com-
22 bination of bodies, agencies, and instru-
23 mentalities described in clauses (ii)
24 through (v); and

1 “(2) that has not, as certified by the Federal
2 cochairperson—

3 “(A) inappropriately used Federal grant
4 funds from any Federal source; or

5 “(B) appointed an officer who, during the
6 period in which another entity inappropriately
7 used Federal grant funds from any Federal
8 source, was an officer of the other entity.

9 “(b) GRANTS TO MULTISTATE, LOCAL, OR REGIONAL
10 DEVELOPMENT DISTRICTS AND ORGANIZATIONS.—

11 “(1) IN GENERAL.—The Authority may make
12 grants for administrative expenses under this section
13 to multistate, local, and regional development dis-
14 tricts and organizations.

15 “(2) CONDITIONS FOR GRANTS.—

16 “(A) MAXIMUM AMOUNT.—The amount of
17 any grant awarded under paragraph (1) shall
18 not exceed 80 percent of the administrative ex-
19 penses of the regional or local development dis-
20 trict or organization receiving the grant.

21 “(B) MAXIMUM PERIOD.—No grant de-
22 scribed in paragraph (1) shall be awarded for a
23 period greater than 3 years.

24 “(3) LOCAL SHARE.—The contributions of a re-
25 gional or local development district or organization

1 for administrative expenses may be in cash or in
2 kind, fairly evaluated, including space, equipment,
3 and services.”; and

4 (3) in subsection (c)—

5 (A) by striking “DUTIES” and inserting
6 “AUTHORITIES”; and

7 (B) in the matter preceding paragraph (1),
8 by striking “shall” and inserting “may”.

9 (f) DISTRESSED COUNTIES AND AREAS AND NONDIS-
10 TRESSED COUNTIES.—Section 383G of the Consolidated
11 Farm and Rural Development Act (as redesignated by
12 subsection (b)(1)(A)) is amended—

13 (1) in subsection (b)(1), by striking “75” and
14 inserting “50”;

15 (2) by striking subsection (c);

16 (3) by redesignating subsection (d) as sub-
17 section (c); and

18 (4) in subsection (c) (as so redesignated)—

19 (A) in the subsection heading, by inserting
20 “, RENEWABLE ENERGY,” after “TELE-
21 COMMUNICATION,”; and

22 (B) by inserting “, renewable energy,”
23 after “telecommunication,”.

24 (g) DEVELOPMENT PLANNING PROCESS.—Section
25 383H of the Consolidated Farm and Rural Development

1 Act (as redesignated by subsection (b)(1)(A)) is amend-
2 ed—

3 (1) in subsection (c)(1), by striking subpara-
4 graph (A) and inserting the following:

5 “(A) multistate, regional, and local devel-
6 opment districts and organizations; and”; and

7 (2) in subsection (d)(1), by striking “State and
8 local development districts” and inserting
9 “multistate, regional, and local development districts
10 and organizations”.

11 (h) PROGRAM DEVELOPMENT CRITERIA.—Section
12 383I(a)(1) of the Consolidated Farm and Rural Develop-
13 ment Act (as redesignated by subsection (b)(1)(A)) is
14 amended by inserting “multistate or” before “regional”.

15 (i) AUTHORIZATION OF APPROPRIATIONS.—Section
16 383N(a) of the Consolidated Farm and Rural Develop-
17 ment Act (as redesignated by subsection (b)(1)(A)) is
18 amended by striking “2002 through 2007” and inserting
19 “2008 through 2012”.

20 (j) TERMINATION OF AUTHORITY.—Section 383O of
21 the Consolidated Farm and Rural Development Act (as
22 redesignated by subsection (b)(1)(A)) is amended by strik-
23 ing “2007” and inserting “2012”.

1 **SEC. 6031. RURAL BUSINESS INVESTMENT PROGRAM.**

2 (a) ISSUANCE AND GUARANTEE OF TRUST CERTIFI-
3 CATES.—Section 384F of the Consolidated Farm and
4 Rural Development Act (7 U.S.C. 2009cc–5) is amend-
5 ed—

6 (1) in subsection (a)(1), by inserting “, includ-
7 ing an investment pool created entirely by such bank
8 or savings association” before the period at the end;

9 (2) in subsection (b)(3)(A), by striking “In the
10 event” and inserting the following:

11 “(i) AUTHORITY TO PREPAY.—A de-
12 benture may be prepaid at any time with-
13 out penalty.

14 “(ii) REDUCTION OF GUARANTEE.—
15 Subject to clause (i), if”; and

16 (3) in subsection (e), by adding at the end the
17 following:

18 “(6) DISTRIBUTIONS.—

19 “(A) IN GENERAL.—The Secretary shall
20 authorize distributions to investors for unreal-
21 ized income from a debenture.

22 “(B) TREATMENT.—Distributions made by
23 a rural business investment company to an in-
24 vestor of private capital in the rural business
25 investment company for the purpose of covering
26 the tax liability of the investor resulting from

1 unrealized income of the rural business invest-
2 ment company shall not require the repayment
3 of a debenture.”.

4 (b) FEES.—Section 384G of the Consolidated Farm
5 and Rural Development Act (7 U.S.C. 2009cc–6) is
6 amended—

7 (1) in subsection (a), by striking “such fees as
8 the Secretary considers appropriate” and inserting
9 “a fee that does not exceed \$500”;

10 (2) in subsection (b), by striking “approved by
11 the Secretary” and inserting “that does not exceed
12 \$500”; and

13 (3) in subsection (c)—

14 (A) in paragraph (1), by striking “The”
15 and inserting “Except as provided in paragraph
16 (3), the”;

17 (B) in paragraph (2)—

18 (i) in subparagraph (A), by striking
19 “and” at the end;

20 (ii) in subparagraph (B), by striking
21 the period at the end and inserting “;
22 and”; and

23 (iii) by adding at the end the fol-
24 lowing:

1 “(C) shall not exceed \$500 for any fee col-
2 lected under this subsection.”; and

3 (C) by adding at the end the following:

4 “(3) PROHIBITION ON COLLECTION OF CERTAIN
5 FEES.—In the case of a license described in para-
6 graph (1) that was approved before July 1, 2007,
7 the Secretary shall not collect any fees due on or
8 after the date of enactment of this paragraph.”.

9 (c) RURAL BUSINESS INVESTMENT COMPANIES.—
10 Section 384I(c) of the Consolidated Farm and Rural De-
11 velopment Act (7 U.S.C. 2009cc–8(c)) is amended—

12 (1) by redesignating paragraph (3) as para-
13 graph (4); and

14 (2) by inserting after paragraph (2) the fol-
15 lowing:

16 “(3) TIME FRAME.—Each rural business invest-
17 ment company shall have a period of 2 years to meet
18 the capital requirements of this subsection.”.

19 (d) FINANCIAL INSTITUTION INVESTMENTS.—Sec-
20 tion 384J of the Consolidated Farm and Rural Develop-
21 ment Act (7 U.S.C. 2009cc–9) is amended by striking sub-
22 section (c).

23 (e) CONTRACTING OF FUNCTIONS.—Section 384Q of
24 the Consolidated Farm and Rural Development Act (7
25 U.S.C. 2009cc–16) is repealed.

1 (f) FUNDING.—The Consolidated Farm and Rural
2 Development Act is amended by striking section 384S (7
3 U.S.C. 2009cc–18) and inserting the following:

4 **“SEC. 384S. AUTHORIZATION OF APPROPRIATIONS.**

5 “There are authorized to be appropriated such sums
6 as are necessary to carry out this subtitle.”.

7 **SEC. 6032. RURAL COLLABORATIVE INVESTMENT PRO-**
8 **GRAM.**

9 Subtitle I of the Consolidated Farm and Rural Devel-
10 opment Act (7 U.S.C. 2009dd et seq.) is amended to read
11 as follows:

12 **“Subtitle I—Rural Collaborative**
13 **Investment Program**

14 **“SEC. 385A. PURPOSE.**

15 “The purpose of this subtitle is to establish a regional
16 rural collaborative investment program—

17 “(1) to provide rural regions with a flexible in-
18 vestment vehicle, allowing for local control with Fed-
19 eral oversight, assistance, and accountability;

20 “(2) to provide rural regions with incentives
21 and resources to develop and implement comprehen-
22 sive strategies for achieving regional competitiveness,
23 innovation, and prosperity;

24 “(3) to foster multisector community and eco-
25 nomic development collaborations that will optimize

1 the asset-based competitive advantages of rural re-
2 gions with particular emphasis on innovation, entre-
3 preneurship, and the creation of quality jobs;

4 “(4) to foster collaborations necessary to pro-
5 vide the professional technical expertise, institutional
6 capacity, and economies of scale that are essential
7 for the long-term competitiveness of rural regions;
8 and

9 “(5) to better use Department of Agriculture
10 and other Federal, State, and local governmental re-
11 sources, and to leverage those resources with private,
12 nonprofit, and philanthropic investments, to achieve
13 measurable community and economic prosperity,
14 growth, and sustainability.

15 **“SEC. 385B. DEFINITIONS.**

16 “In this subtitle:

17 “(1) BENCHMARK.—The term ‘benchmark’
18 means an annual set of goals and performance
19 measures established for the purpose of assessing
20 performance in meeting a regional investment strat-
21 egy of a Regional Board.

22 “(2) INDIAN TRIBE.—The term ‘Indian tribe’
23 has the meaning given the term in section 4 of the
24 Indian Self-Determination and Education Assistance
25 Act (25 U.S.C. 450b).

1 “(3) NATIONAL BOARD.—The term ‘National
2 Board’ means the National Rural Investment Board
3 established under section 385C(c).

4 “(4) NATIONAL INSTITUTE.—The term ‘Na-
5 tional Institute’ means the National Institute on Re-
6 gional Rural Competitiveness and Entrepreneurship
7 established under section 385C(b)(2).

8 “(5) REGIONAL BOARD.—The term ‘Regional
9 Board’ means a Regional Rural Investment Board
10 described in section 385D(a).

11 “(6) REGIONAL INNOVATION GRANT.—The
12 term ‘regional innovation grant’ means a grant made
13 by the Secretary to a certified Regional Board under
14 section 385F.

15 “(7) REGIONAL INVESTMENT STRATEGY
16 GRANT.—The term ‘regional investment strategy
17 grant’ means a grant made by the Secretary to a
18 certified Regional Board under section 385E.

19 **“SEC. 385C. ESTABLISHMENT AND ADMINISTRATION OF**
20 **RURAL COLLABORATIVE INVESTMENT PRO-**
21 **GRAM.**

22 “(a) ESTABLISHMENT.—The Secretary shall estab-
23 lish a Rural Collaborative Investment Program to support
24 comprehensive regional investment strategies for achieving
25 rural competitiveness.

1 “(b) DUTIES OF SECRETARY.—In carrying out this
2 subtitle, the Secretary shall—

3 “(1) appoint and provide administrative and
4 program support to the National Board;

5 “(2) establish a national institute, to be known
6 as the ‘National Institute on Regional Rural Com-
7 petitiveness and Entrepreneurship’, to provide tech-
8 nical assistance to the Secretary and the National
9 Board regarding regional competitiveness and rural
10 entrepreneurship, including technical assistance
11 for—

12 “(A) the development of rigorous analytic
13 programs to assist Regional Boards in deter-
14 mining the challenges and opportunities that
15 need to be addressed to receive the greatest re-
16 gional competitive advantage;

17 “(B) the provision of support for best
18 practices developed by the Regional Boards;

19 “(C) the establishment of programs to sup-
20 port the development of appropriate governance
21 and leadership skills in the applicable regions;
22 and

23 “(D) the evaluation of the progress and
24 performance of the Regional Boards in achiev-

1 ing benchmarks established in a regional invest-
2 ment strategy;

3 “(3) work with the National Board to develop
4 a national rural investment plan, which shall—

5 “(A) create a framework to encourage and
6 support a more collaborative and targeted rural
7 investment portfolio in the United States;

8 “(B) establish the Rural Philanthropic Ini-
9 tiative, to work with rural communities to cre-
10 ate and enhance the pool of permanent philan-
11 thropic resources committed to rural community
12 and economic development;

13 “(C) cooperate with the Regional Boards
14 and State and local governments, organizations,
15 and entities to ensure investment strategies are
16 developed that take into consideration existing
17 rural assets; and

18 “(D) encourage the organization of Re-
19 gional Boards;

20 “(4) certify the eligibility of Regional Boards to
21 receive regional investment strategy grants and re-
22 gional innovation grants;

23 “(5) provide grants for Regional Boards to de-
24 velop and implement regional investment strategies;

1 “(6) provide technical assistance to Regional
2 Boards on issues, best practices, and emerging
3 trends relating to rural development, in cooperation
4 with the National Rural Investment Board; and

5 “(7) provide analytic and programmatic support
6 for regional rural competitiveness through the Na-
7 tional Institute, including—

8 “(A) programs to assist Regional Boards
9 in determining the challenges and opportunities
10 that must be addressed to receive the greatest
11 regional competitive advantage;

12 “(B) support for best practices develop-
13 ment by the regional investment boards;

14 “(C) programs to support the development
15 of appropriate governance and leadership skills
16 in the region; and

17 “(D) a review and annual evaluation of the
18 performance of the Regional Boards (including
19 progress in achieving benchmarks established in
20 a regional investment strategy) in an annual re-
21 port submitted to—

22 “(i) the Committee on Agriculture of
23 the House of Representatives; and

24 “(ii) the Committee on Agriculture,
25 Nutrition, and Forestry of the Senate.

1 “(c) NATIONAL RURAL INVESTMENT BOARD.—The
2 Secretary shall establish within the Department of Agri-
3 culture a board to be known as the ‘National Rural Invest-
4 ment Board’.

5 “(d) DUTIES OF NATIONAL BOARD.—The National
6 Board shall—

7 “(1) not later than 180 days after the date of
8 establishment of the National Board, develop rules
9 relating to the operation of the National Board;

10 “(2) provide advice to the Secretary and subse-
11 quently review the design, development, and execu-
12 tion of the National Rural Investment Plan;

13 “(3) provide advice to Regional Boards on
14 issues, best practices, and emerging trends relating
15 to rural development; and

16 “(4) provide advice to the Secretary and the
17 National Institute on the development and execution
18 of the program under this subtitle.

19 “(e) MEMBERSHIP.—

20 “(1) IN GENERAL.—The National Board shall
21 consist of 14 members appointed by the Secretary
22 not later than 180 days after the date of enactment
23 of the Food and Energy Security Act of 2007.

1 “(2) SUPERVISION.—The National Board shall
2 be subject to the general supervision and direction of
3 the Secretary.

4 “(3) SECTORS REPRESENTED.—The National
5 Board shall consist of representatives from each
6 of—

7 “(A) nationally recognized entrepreneur-
8 ship organizations;

9 “(B) regional strategy and development or-
10 ganizations;

11 “(C) community-based organizations;

12 “(D) elected members of county and mu-
13 nicipal governments;

14 “(E) elected members of State legislatures;

15 “(F) primary, secondary, and higher edu-
16 cation, job skills training, and workforce devel-
17 opment institutions;

18 “(G) the rural philanthropic community;

19 “(H) financial, lending, venture capital,
20 entrepreneurship, and other related institutions;

21 “(I) private sector business organizations,
22 including chambers of commerce and other for-
23 profit business interests;

24 “(J) Indian tribes; and

25 “(K) cooperative organizations.

1 “(4) SELECTION OF MEMBERS.—

2 “(A) IN GENERAL.—In selecting members
3 of the National Board, the Secretary shall con-
4 sider recommendations made by—

5 “(i) the chairman and ranking mem-
6 ber of each of the Committee on Agri-
7 culture of the House of Representatives
8 and the Committee on Agriculture, Nutri-
9 tion, and Forestry of the Senate;

10 “(ii) the Majority Leader and Minor-
11 ity Leader of the Senate; and

12 “(iii) the Speaker and Minority Lead-
13 er of the House of Representatives.

14 “(B) EX-OFFICIO MEMBERS.—In consulta-
15 tion with the chairman and ranking member of
16 each of the Committee on Agriculture of the
17 House of Representatives and the Committee
18 on Agriculture, Nutrition, and Forestry of the
19 Senate, the Secretary may appoint not more
20 than 3 other officers or employees of the Execu-
21 tive Branch to serve as ex-officio, non-voting
22 members of the National Board.

23 “(5) TERM OF OFFICE.—

24 “(A) IN GENERAL.—Subject to subpara-
25 graph (B), the term of office of a member of

1 the National Board appointed under paragraph
2 (1)(A) shall be for a period of not more than
3 4 years.

4 “(B) STAGGERED TERMS.—The members
5 of the National Board shall be appointed to
6 serve staggered terms.

7 “(6) INITIAL APPOINTMENTS.—Not later than
8 120 days after the date of enactment of the Food
9 and Energy Security Act of 2007, the Secretary
10 shall appoint the initial members of the National
11 Board.

12 “(7) VACANCIES.—A vacancy on the National
13 Board shall be filled in the same manner as the
14 original appointment.

15 “(8) COMPENSATION.—A member of the Na-
16 tional Board shall receive no compensation for serv-
17 ice on the National Board, but shall be reimbursed
18 for related travel and other expenses incurred in car-
19 rying out the duties of the member of the National
20 Board in accordance with section 5702 and 5703 of
21 title 5, United States Code.

22 “(9) CHAIRPERSON.—The National Board shall
23 select a chairperson from among the members of the
24 National Board.

1 “(10) FEDERAL STATUS.—For purposes of
2 Federal law, a member of the National Board shall
3 be considered a special Government employee (as de-
4 fined in section 202(a) of title 18, United States
5 Code).

6 “(f) ADMINISTRATIVE SUPPORT.—The Secretary, on
7 a reimbursable basis from funds made available under sec-
8 tion 385H(b)(3), may provide such administrative support
9 to the National Board as the Secretary determines is nec-
10 essary to carry out the duties of the National Board.

11 **“SEC. 385D. REGIONAL RURAL INVESTMENT BOARDS.**

12 “(a) IN GENERAL.—A Regional Rural Investment
13 Board shall be a multijurisdictional and multisectoral
14 group that—

15 “(1) represents the long-term economic, com-
16 munity, and cultural interests of a region;

17 “(2) is certified by the Secretary to establish a
18 rural investment strategy and compete for regional
19 innovation grants;

20 “(3) is composed of residents of a region that
21 are broadly representative of diverse public, non-
22 profit, and private sector interests in investment in
23 the region, including (to the maximum extent prac-
24 ticable) representatives of—

1 “(A) units of local government (including
2 multijurisdictional units of local government);

3 “(B) nonprofit community-based develop-
4 ment organizations, including community devel-
5 opment financial institutions and community
6 development corporations;

7 “(C) agricultural, natural resource, and
8 other asset-based related industries;

9 “(D) in the case of regions with federally
10 recognized Indian tribes, Indian tribes;

11 “(E) regional development organizations;

12 “(F) private business organizations, in-
13 cluding chambers of commerce;

14 “(G)(i) institutions of higher education (as
15 defined in section 101(a) of the Higher Edu-
16 cation Act of 1965 (20 U.S.C. 1001(a)));

17 “(ii) tribally controlled colleges or univer-
18 sities (as defined in section 2(a) of Tribally
19 Controlled College or University Assistance Act
20 of 1978 (25 U.S.C. 1801(a))); and

21 “(iii) tribal technical institutions;

22 “(H) workforce and job training organiza-
23 tions;

24 “(I) other entities and organizations, as
25 determined by the Regional Board;

1 “(J) cooperatives; and

2 “(K) consortia of entities and organiza-
3 tions described in subparagraphs (A) through
4 (J);

5 “(4) represents a region inhabited by—

6 “(A) more than 25,000 individuals, as de-
7 termined in the latest available decennial census
8 conducted under section 141(a) of title 13,
9 United States Code; or

10 “(B) in the case of a region with a popu-
11 lation density of less than 2 individuals per
12 square mile, at least 10,000 individuals, as de-
13 termined in that latest available decennial cen-
14 sus;

15 “(5) has a membership of which not less than
16 25 percent, nor more than 40 percent, represents—

17 “(A) units of local government and Indian
18 tribes described in subparagraphs (A) and (D)
19 of paragraph (3);

20 “(B) nonprofit community and economic
21 development organizations and institutions of
22 higher education described in subparagraphs
23 (B) and (G) of paragraph (3); or

24 “(C) private business (including chambers
25 of commerce and cooperatives) and agricultural,

1 natural resource, and other asset-based related
2 industries described in subparagraphs (C) and
3 (F) of paragraph (3);

4 “(6) has a membership that may include an of-
5 ficer or employee of a Federal or State agency, serv-
6 ing as an ex-officio, nonvoting member of the Re-
7 gional Board to represent the agency; and

8 “(7) has organizational documents that dem-
9 onstrate that the Regional Board shall—

10 “(A) create a collaborative, inclusive pub-
11 lic-private strategy process;

12 “(B) develop, and submit to the Secretary
13 for approval, a regional investment strategy
14 that meets the requirements of section 385E,
15 with benchmarks—

16 “(i) to promote investment in rural
17 areas through the use of grants made
18 available under this subtitle; and

19 “(ii) to provide financial and technical
20 assistance to promote a broad-based re-
21 gional development program aimed at in-
22 creasing and diversifying economic growth,
23 improved community facilities, and im-
24 proved quality of life;

1 “(C) implement the approved regional in-
2 vestment strategy;

3 “(D) provide annual reports to the Sec-
4 retary and the National Board on progress
5 made in achieving the benchmarks of the re-
6 gional investment strategy, including an annual
7 financial statement; and

8 “(E) select a non-Federal organization
9 (such as a regional development organization)
10 in the local area served by the Regional Board
11 that has previous experience in the management
12 of Federal funds to serve as fiscal manager of
13 any funds of the Regional Board.

14 “(b) URBAN AREAS.—A resident of an urban area
15 may serve as an ex-officio member of a Regional Board.

16 “(c) DUTIES.—A Regional Board shall—

17 “(1) create a collaborative and inclusive plan-
18 ning process for public-private investment within a
19 region;

20 “(2) develop, and submit to the Secretary for
21 approval, a regional investment strategy;

22 “(3) develop approaches that will create perma-
23 nent resources for philanthropic giving in the region,
24 to the maximum extent practicable;

25 “(4) implement an approved strategy; and

1 “(5) provide annual reports to the Secretary
2 and the National Board on progress made in achiev-
3 ing the strategy, including an annual financial state-
4 ment.

5 **“SEC. 385E. REGIONAL INVESTMENT STRATEGY GRANTS.**

6 “(a) IN GENERAL.—The Secretary shall make re-
7 gional investment strategy grants available to Regional
8 Boards for use in developing, implementing, and maintain-
9 ing regional investment strategies.

10 “(b) REGIONAL INVESTMENT STRATEGY.—A re-
11 gional investment strategy shall provide—

12 “(1) an assessment of the competitive advan-
13 tage of a region, including—

14 “(A) an analysis of the economic condi-
15 tions of the region;

16 “(B) an assessment of the current eco-
17 nomic performance of the region;

18 “(C) a background overview of the popu-
19 lation, geography, workforce, transportation
20 system, resources, environment, and infrastruc-
21 ture needs of the region; and

22 “(D) such other pertinent information as
23 the Secretary may request;

1 “(2) an analysis of regional economic and com-
2 munity development challenges and opportunities,
3 including—

4 “(A) incorporation of relevant material
5 from other government-sponsored or supported
6 plans and consistency with applicable State, re-
7 gional, and local workforce investment strate-
8 gies or comprehensive economic development
9 plans; and

10 “(B) an identification of past, present, and
11 projected Federal and State economic and com-
12 munity development investments in the region;

13 “(3) a section describing goals and objectives
14 necessary to solve regional competitiveness chal-
15 lenges and meet the potential of the region;

16 “(4) an overview of resources available in the
17 region for use in—

18 “(A) establishing regional goals and objec-
19 tives;

20 “(B) developing and implementing a re-
21 gional action strategy;

22 “(C) identifying investment priorities and
23 funding sources; and

24 “(D) identifying lead organizations to exe-
25 cute portions of the strategy;

1 “(5) an analysis of the current state of collabo-
2 rative public, private, and nonprofit participation
3 and investment, and of the strategic roles of public,
4 private, and nonprofit entities in the development
5 and implementation of the regional investment strat-
6 egy;

7 “(6) a section identifying and prioritizing vital
8 projects, programs, and activities for consideration
9 by the Secretary, including—

10 “(A) other potential funding sources; and

11 “(B) recommendations for leveraging past
12 and potential investments;

13 “(7) a plan of action to implement the goals
14 and objectives of the regional investment strategy;

15 “(8) a list of performance measures to be used
16 to evaluate the implementation of the regional in-
17 vestment strategy, including—

18 “(A) the number and quality of jobs, in-
19 cluding self-employment, created during imple-
20 mentation of the regional rural investment
21 strategy;

22 “(B) the number and types of investments
23 made in the region;

1 “(C) the growth in public, private, and
2 nonprofit investment in the human, community,
3 and economic assets of the region;

4 “(D) changes in per capita income and the
5 rate of unemployment; and

6 “(E) other changes in the economic envi-
7 ronment of the region;

8 “(9) a section outlining the methodology for use
9 in integrating the regional investment strategy with
10 the economic priorities of the State; and

11 “(10) such other information as the Secretary
12 determines to be appropriate.

13 “(c) MAXIMUM AMOUNT OF GRANT.—A regional in-
14 vestment strategy grant shall not exceed \$150,000.

15 “(d) COST SHARING.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 of the share of the costs of developing, maintaining,
18 evaluating, implementing, and reporting with respect
19 to a regional investment strategy funded by a grant
20 under this section—

21 “(A) not more than 40 percent may be
22 paid using funds from the grant; and

23 “(B) the remaining share shall be provided
24 by the applicable Regional Board or other eligi-
25 ble grantee.

1 “(2) FORM.—A Regional Board or other eligi-
2 ble grantee shall pay the share described in para-
3 graph (1)(B) in the form of cash, services, materials,
4 or other in-kind contributions, on the condition that
5 not more than 50 percent of that share is provided
6 in the form of services, materials, and other in-kind
7 contributions.

8 **“SEC. 385F. REGIONAL INNOVATION GRANTS PROGRAM.**

9 “(a) GRANTS.—

10 “(1) IN GENERAL.—The Secretary shall pro-
11 vide, on a competitive basis, regional innovation
12 grants to Regional Boards for use in implementing
13 projects and initiatives that are identified in a re-
14 gional rural investment strategy approved under sec-
15 tion 385E.

16 “(2) TIMING.—After October 1, 2008, the Sec-
17 retary shall provide awards under this section on a
18 quarterly funding cycle.

19 “(b) ELIGIBILITY.—For a Regional Board to receive
20 a regional innovation grant, the Secretary shall determine
21 that—

22 “(1) the regional rural investment strategy of a
23 Regional Board has been reviewed by the National
24 Board prior to approval by the Secretary;

1 “(2) the management and organizational struc-
2 ture of the Regional Board is sufficient to oversee
3 grant projects, including management of Federal
4 funds; and

5 “(3) the Regional Board has a plan to achieve,
6 to the maximum extent practicable, the perform-
7 ance-based benchmarks of the project in the regional
8 rural investment strategy of the Regional Board.

9 “(c) LIMITATIONS.—

10 “(1) AMOUNT RECEIVED.—A Regional Board
11 may not receive more than \$6,000,000 in regional
12 innovation grants under this section during any 5-
13 year period.

14 “(2) DETERMINATION OF AMOUNT.—The Sec-
15 retary shall determine the amount of a regional in-
16 novation grant based on—

17 “(A) the needs of the region being ad-
18 dressed by the applicable regional rural invest-
19 ment strategy consistent with the purposes de-
20 scribed in subsection (f)(2); and

21 “(B) the size of the geographical area of
22 the region.

23 “(3) GEOGRAPHIC DIVERSITY.—The Secretary
24 shall ensure that not more than 10 percent of fund-

1 ing made available under this section is provided to
2 Regional Boards in any State.

3 “(d) COST-SHARING.—

4 “(1) LIMITATION.—Subject to paragraph (2),
5 the amount of a grant made under this section shall
6 not exceed 50 percent of the cost of the project.

7 “(2) WAIVER OF GRANTEE SHARE.—The Sec-
8 retary may waive the limitation in paragraph (1)
9 under special circumstances, as determined by the
10 Secretary, including—

11 “(A) a sudden or severe economic disloca-
12 tion;

13 “(B) significant chronic unemployment or
14 poverty;

15 “(C) a natural disaster; or

16 “(D) other severe economic, social, or cul-
17 tural duress.

18 “(3) OTHER FEDERAL ASSISTANCE.—For the
19 purpose of determining cost-share limitations for any
20 other Federal program, funds provided under this
21 section shall be considered to be non-Federal funds.

22 “(e) PREFERENCES.—In providing regional innova-
23 tion grants under this section, the Secretary shall give—

1 “(1) a high priority to strategies that dem-
2 onstrate significant leverage of capital and quality
3 job creation; and

4 “(2) a preference to an application proposing
5 projects and initiatives that would—

6 “(A) advance the overall regional competi-
7 tiveness of a region;

8 “(B) address the priorities of a regional
9 rural investment strategy, including priorities
10 that—

11 “(i) promote cross-sector collabora-
12 tion, public-private partnerships, or the
13 provision of collaborative gap financing or
14 seed capital for program implementation;

15 “(ii) exhibit collaborative innovation
16 and entrepreneurship, particularly within a
17 public-private partnership; and

18 “(iii) represent a broad coalition of in-
19 terests described in section 385D(a);

20 “(C) include a strategy to leverage public
21 non-Federal and private funds and existing as-
22 sets, including agricultural assets, natural as-
23 sets, and public infrastructure, with substantial
24 emphasis placed on the existence of real finan-

1 cial commitments to leverage the available
2 funds;

3 “(D) create quality jobs;

4 “(E) enhance the role, relevance, and
5 leveraging potential of community and regional
6 foundations in support of regional investment
7 strategies;

8 “(F) demonstrate a history, or involve or-
9 ganizations with a history, of successful
10 leveraging of capital for economic development
11 and public purposes;

12 “(G) address gaps in existing basic serv-
13 ices, including technology, within a region;

14 “(H) address economic diversification, in-
15 cluding agricultural and non-agriculturally
16 based economies, within a regional framework;

17 “(I) improve the overall quality of life in
18 the region (including with respect to education,
19 health care, housing, recreation, and arts and
20 culture);

21 “(J) enhance the potential to expand eco-
22 nomic development successes across diverse
23 stakeholder groups within the region;

24 “(K) include an effective working relation-
25 ship with 1 or more institutions of higher edu-

1 cation, tribally controlled colleges or univer-
2 sities, or tribal technical institutions; or

3 “(L) help to meet the other regional com-
4 petitiveness needs identified by a Regional
5 Board.

6 “(f) USES.—

7 “(1) LEVERAGE.—A Regional Board shall
8 prioritize projects and initiatives carried out using
9 funds from a regional innovation grant provided
10 under this section, based in part on the degree to
11 which members of the Regional Board are able to le-
12 verage additional funds for the implementation of
13 the projects.

14 “(2) PURPOSES.—A Regional Board may use a
15 regional innovation grant—

16 “(A) to support the development of critical
17 infrastructure (including technology deployment
18 and services) necessary to facilitate the com-
19 petitiveness of a region;

20 “(B) to provide assistance to entities with-
21 in the region that provide essential public and
22 community services;

23 “(C) to enhance the value-added produc-
24 tion, marketing, and use of agricultural and
25 natural resources within the region, including

1 activities relating to renewable and alternative
2 energy production and usage;

3 “(D) to assist with entrepreneurship, job
4 training, workforce development, housing, edu-
5 cational, or other quality of life services or
6 needs, relating to the development and mainte-
7 nance of strong local and regional economies;

8 “(E) to assist in the development of unique
9 new collaborations that link public, private, and
10 philanthropic resources, including community
11 foundations;

12 “(F) to provide support for business and
13 entrepreneurial investment, strategy, expansion,
14 and development, including feasibility strate-
15 gies, technical assistance, peer networks, and
16 business development funds;

17 “(G) to carry out other broad activities re-
18 lating to strengthening the economic competi-
19 tiveness of the region; and

20 “(H) to provide matching funds to enable
21 community foundations located within the re-
22 gion to build endowments which provide perma-
23 nent philanthropic resources to implement a re-
24 gional investment strategy.

1 “(3) AVAILABILITY OF FUNDS.—The funds
2 made available to a Regional Board or any other eli-
3 gible grantee through a regional innovation grant
4 shall remain available for the 7-year period begin-
5 ning on the date on which the award is provided, on
6 the condition that the Regional Board or other
7 grantee continues to be certified by the Secretary as
8 making adequate progress toward achieving estab-
9 lished benchmarks.

10 “(g) COST SHARING.—

11 “(1) WAIVER OF GRANTEE SHARE.—The Sec-
12 retary may waive the share of a grantee of the costs
13 of a project funded by a regional innovation grant
14 under this section if the Secretary determines that
15 such a waiver is appropriate, including with respect
16 to special circumstances within tribal regions, in the
17 event an area experiences—

18 “(A) a sudden or severe economic disloca-
19 tion;

20 “(B) significant chronic unemployment or
21 poverty;

22 “(C) a natural disaster; or

23 “(D) other severe economic, social, or cul-
24 tural duress.

1 “(2) OTHER FEDERAL PROGRAMS.—For the
2 purpose of determining cost-sharing requirements
3 for any other Federal program, funds provided as a
4 regional innovation grant under this section shall be
5 considered to be non-Federal funds.

6 “(h) NONCOMPLIANCE.—If a Regional Board or
7 other eligible grantee fails to comply with any requirement
8 relating to the use of funds provided under this section,
9 the Secretary may—

10 “(1) take such actions as are necessary to ob-
11 tain reimbursement of unused grant funds; and

12 “(2) reprogram the recaptured funds for pur-
13 poses relating to implementation of this subtitle.

14 “(i) PRIORITY TO AREAS WITH AWARDS AND AP-
15 PROVED STRATEGIES.—

16 “(1) IN GENERAL.—Subject to paragraph (3),
17 in providing rural development assistance under
18 other programs, the Secretary shall give a high pri-
19 ority to areas that receive innovation grants under
20 this section.

21 “(2) CONSULTATION.—The Secretary shall con-
22 sult with the heads of other Federal agencies to pro-
23 mote the development of priorities similar to those
24 described in paragraph (1).

1 “(3) EXCLUSION OF CERTAIN PROGRAMS.—

2 Paragraph (1) shall not apply to the provision of
3 rural development assistance under any program re-
4 lating to basic health, safety, or infrastructure, in-
5 cluding broadband deployment or minimum environ-
6 mental needs.

7 **“SEC. 385G. RURAL ENDOWMENT LOANS PROGRAM.**

8 “(a) IN GENERAL.—The Secretary may provide long-
9 term loans to eligible community foundations to assist in
10 the implementation of regional investment strategies.

11 “(b) ELIGIBLE COMMUNITY FOUNDATIONS.—To be
12 eligible to receive a loan under this section, a community
13 foundation shall—

14 “(1) be located in an area that is covered by a
15 regional investment strategy;

16 “(2) match the amount of the loan with an
17 amount that is at least 250 percent of the amount
18 of the loan; and

19 “(3) use the loan and the matching amount to
20 carry out the regional investment strategy targeted
21 to community and economic development, including
22 through the development of community foundation
23 endowments.

24 “(c) TERMS.—A loan made under this section shall—

1 “(1) have a term of not less than 10, nor more
2 than 20, years;

3 “(2) bear an interest rate of 1 percent per
4 annum; and

5 “(3) be subject to such other terms and condi-
6 tions as are determined appropriate by the Sec-
7 retary.

8 **“SEC. 385H. FUNDING.**

9 “(a) IN GENERAL.—Of the funds of the Commodity
10 Credit Corporation, the Secretary shall use \$135,000,000
11 to carry out this subtitle, to remain available until ex-
12 pended.

13 “(b) USE BY SECRETARY.—Of the amounts made
14 available to the Secretary under subsection (a), the Sec-
15 retary shall use—

16 “(1) \$15,000,000 to be provided for regional in-
17 vestment strategy grants to Regional Boards under
18 section 385E;

19 “(2) \$110,000,000 to provide innovation grants
20 to Regional Boards under section 385F and for the
21 cost of rural endowment loans under section 385G;

22 “(3) \$5,000,000 for fiscal year 2008 to admin-
23 ister the duties of the National Board, to remain
24 available until expended; and

1 “(4) \$5,000,000 for fiscal year 2008 to admin-
2 ister the National Institute, to remain available until
3 expended.

4 “(c) AUTHORIZATION OF APPROPRIATIONS.—In ad-
5 dition to funds otherwise made available to carry out this
6 subtitle, there are authorized to be appropriated to the
7 Secretary such sums as are necessary to carry out this
8 subtitle.”.

9 **SEC. 6033. FUNDING OF PENDING RURAL DEVELOPMENT**
10 **LOAN AND GRANT APPLICATIONS.**

11 (a) DEFINITION OF APPLICATION.—In this section,
12 the term “application” does not include an application for
13 a loan or grant that, as of the date of enactment of this
14 Act, is in the preapplication phase of consideration under
15 regulations of the Secretary in effect on the date of enact-
16 ment of this Act.

17 (b) USE OF FUNDS.—Subject to subsection (c), the
18 Secretary shall use funds made available under subsection
19 (d) to provide funds for applications that are pending on
20 the date of enactment of this Act for—

21 (1) water or waste disposal grants or direct
22 loans under paragraph (1) or (2) of section 306(a)
23 of the Consolidated Farm and Rural Development
24 Act (7 U.S.C. 1926(a)); and

1 (2) emergency community water assistance
2 grants under section 306A of that Act (7 U.S.C.
3 1926a).

4 (c) LIMITATIONS.—

5 (1) APPROPRIATED AMOUNTS.—Funds made
6 available under this section shall be available to the
7 Secretary to provide funds for applications for loans
8 and grants described in subsection (b) that are
9 pending on the date of enactment of this Act only
10 to the extent that funds for the loans and grants ap-
11 propriated in the annual appropriations Act for fis-
12 cal year 2007 have been exhausted.

13 (2) PROGRAM REQUIREMENTS.—The Secretary
14 may use funds made available under this section to
15 provide funds for a pending application for a loan or
16 grant described in subsection (b) only if the Sec-
17 retary processes, reviews, and approves the applica-
18 tion in accordance with regulations in effect on the
19 date of enactment of this Act.

20 (3) PRIORITY.—In providing funding under this
21 section for pending applications for loans or grants
22 described in subsection (b), the Secretary shall pro-
23 vide funding in the following order of priority (until
24 funds made available under this section are ex-
25 hausted):

1 (A) Pending applications for water sys-
2 tems.

3 (B) Pending applications for waste dis-
4 posal systems.

5 (4) INDIVIDUAL STATES.—In allocating funds
6 made available under subsection (d), the Secretary
7 shall use not more 5 percent of the funds for pend-
8 ing applications for loans or grants described in sub-
9 section (b) that are made in any individual State.

10 (d) FUNDING.—Notwithstanding any other provision
11 of law, of the funds of the Commodity Credit Corporation,
12 the Secretary shall use to carry out this section
13 \$135,000,000, to remain available until expended.

14 **Subtitle B—Rural Electrification**
15 **Act of 1936**

16 **SEC. 6101. ENERGY EFFICIENCY PROGRAMS.**

17 Sections 2(a) and 4 of the Rural Electrification Act
18 of 1936 (7 U.S.C. 902(a), 904) are amended by inserting
19 “efficiency and” before “conservation” each place it ap-
20 pears.

21 **SEC. 6102. LOANS AND GRANTS FOR ELECTRIC GENERA-**
22 **TION AND TRANSMISSION.**

23 (a) IN GENERAL.—Section 4 of the Rural Electrifica-
24 tion Act of 1936 (7 U.S.C. 904) is amended in the first

1 sentence by striking “authorized and empowered, from the
2 sums hereinbefore authorized, to” and inserting “shall”.

3 (b) RURAL COMMUNITIES WITH EXTREMELY HIGH
4 ENERGY COSTS.—Section 19(a) of the Rural Electrifica-
5 tion Act of 1936 (7 U.S.C. 918a(a)) is amended in the
6 matter preceding paragraph (1) by striking “may” and in-
7 serting “shall”.

8 **SEC. 6103. FEES FOR ELECTRIFICATION BASELOAD GEN-**
9 **ERATION LOAN GUARANTEES.**

10 The Rural Electrification Act of 1936 is amended by
11 inserting after section 4 (7 U.S.C. 904) the following:

12 **“SEC. 5. FEES FOR ELECTRIFICATION BASELOAD GENERA-**
13 **TION LOAN GUARANTEES.**

14 “(a) IN GENERAL.—For electrification baseload gen-
15 eration loan guarantees, the Secretary shall, at the request
16 of the borrower, charge an upfront fee to cover the costs
17 of the loan guarantee.

18 “(b) FEE.—

19 “(1) IN GENERAL.—The fee described in sub-
20 section (a) for a loan guarantee shall be at least
21 equal to the costs of the loan guarantee (within the
22 meaning of section 502(5)(C) of the Federal Credit
23 Reform Act of 1990 (2 U.S.C. 661a(5)(C)).

24 “(2) SEPARATE FEE.—The Secretary may es-
25 tablish a separate fee for each loan.

1 “(c) ELIGIBILITY.—To be eligible for an electrifica-
2 tion baseload generation loan guarantee under this sec-
3 tion, a borrower shall—

4 “(1) provide a rating of the loan, exclusive of
5 the Federal guarantee, by an organization identified
6 by the Securities and Exchange Commission as a na-
7 tionally recognized statistical rating organization
8 that determines that the loan has at least a AA rat-
9 ing, or equivalent rating, as determined by the Sec-
10 retary; or

11 “(2) obtain insurance or a guarantee for the
12 full and timely repayment of principal and interest
13 on the loan from an entity that has at least an AA
14 or equivalent rating by a nationally recognized sta-
15 tistical rating organization.

16 “(d) LIMITATION.—Funds received from a borrower
17 to pay for the fees described in this section shall not be
18 derived from a loan or other debt obligation that is made
19 or guaranteed by the Federal Government.”.

20 **SEC. 6104. DEFERMENT OF PAYMENTS TO ALLOWS LOANS**
21 **FOR IMPROVED ENERGY EFFICIENCY AND**
22 **DEMAND REDUCTION.**

23 Section 12 of the Rural Electrification Act of 1936
24 (7 U.S.C. 912) is amended by adding at the end the fol-
25 lowing:

1 “(c) DEFERMENT OF PAYMENTS TO ALLOWS LOANS
2 FOR IMPROVED ENERGY EFFICIENCY AND DEMAND RE-
3 Duction.—

4 “(1) IN GENERAL.—The Secretary shall allow
5 borrowers to defer payment of principal and interest
6 on any direct loan made under this Act to enable the
7 borrower to make loans to residential, commercial,
8 and industrial consumers to install energy efficient
9 measures or devices that reduce the demand on elec-
10 tric systems.

11 “(2) AMOUNT.—The total amount of a
12 deferment under this subsection shall not exceed the
13 sum of the principal and interest on the loans made
14 to a customer of the borrower, as determined by the
15 Secretary.

16 “(3) TERM.—The term of a deferment under
17 this subsection shall not exceed 60 months.”.

18 **SEC. 6105. RURAL ELECTRIFICATION ASSISTANCE.**

19 Section 13 of the Rural Electrification Act of 1936
20 (7 U.S.C. 913) is amended to read as follows:

21 **“SEC. 13. DEFINITIONS.**

22 “In this Act:

23 “(1) FARM.—The term ‘farm’ means a farm, as
24 defined by the Bureau of the Census.

1 “(2) INDIAN TRIBE.—The term ‘Indian tribe’
2 has the meaning given the term in section 4 of the
3 Indian Self-Determination and Education Assistance
4 Act (25 U.S.C. 450b).

5 “(3) RURAL AREA.—

6 “(A) IN GENERAL.—Except as provided
7 otherwise in this Act, the term ‘rural area’
8 means the farm and nonfarm population of—

9 “(i) any area described in section
10 343(a)(13)(A) of the Consolidated Farm
11 and Rural Development Act (7 U.S.C.
12 1991(a)(13)(A)); and

13 “(ii) any area within a service area of
14 a borrower for which a borrower has an
15 outstanding loan made under titles I
16 through V as of the date of enactment of
17 this paragraph.

18 “(B) RURAL BROADBAND ACCESS.—For
19 the purpose of loans and loan guarantees made
20 under section 601, the term ‘rural area’ has the
21 meaning given the term in section
22 343(a)(13)(C) of the Consolidated Farm and
23 Rural Development Act (7 U.S.C.
24 1991(a)(13)(C)).

1 “(4) TERRITORY.—The term ‘territory’ includes
2 any insular possession of the United States.

3 “(5) SECRETARY.—The term ‘Secretary’ means
4 the Secretary of Agriculture.”.

5 **SEC. 6106. GUARANTEES FOR BONDS AND NOTES ISSUED**
6 **FOR ELECTRIFICATION OR TELEPHONE PUR-**
7 **POSES.**

8 Section 313A of the Rural Electrification Act of 1936
9 (7 U.S.C. 940c–1) is amended—

10 (1) in subsection (b)—

11 (A) in paragraph (1), by striking “for elec-
12 trification” and all that follows through the end
13 and inserting “for eligible electrification or tele-
14 phone purposes consistent with this Act.”; and

15 (B) by striking paragraph (4) and insert-
16 ing the following:

17 “(4) ANNUAL AMOUNT.—The total amount of
18 guarantees provided by the Secretary under this sec-
19 tion during a fiscal year shall not exceed
20 \$1,000,000,000, subject to the availability of funds
21 under subsection (e).”;

22 (2) in subsection (c), by striking paragraphs (2)
23 and (3) and inserting the following:

24 “(2) AMOUNT.—

1 “(A) IN GENERAL.—The amount of the
2 annual fee paid for the guarantee of a bond or
3 note under this section shall be equal to 30
4 basis points of the amount of the unpaid prin-
5 cipal of the bond or note guaranteed under this
6 section.

7 “(B) PROHIBITION.—Except as otherwise
8 provided in this subsection and subsection
9 (e)(2), no other fees shall be assessed.

10 “(3) PAYMENT.—

11 “(A) IN GENERAL.—A lender shall pay the
12 fees required under this subsection on a semi-
13 annual basis.

14 “(B) STRUCTURED SCHEDULE.—The Sec-
15 retary shall, with the consent of the lender,
16 structure the schedule for payment of the fee to
17 ensure that sufficient funds are available to pay
18 the subsidy costs for note or bond guarantees
19 as provided for in subsection (e)(2).”; and

20 (3) in subsection (f), by striking “2007” and
21 inserting “2012”.

22 **SEC. 6107. EXPANSION OF 911 ACCESS.**

23 Section 315 of the Rural Electrification Act of 1936
24 (7 U.S.C. 940e) is amended to read as follows:

1 **“SEC. 315. EXPANSION OF 911 ACCESS.**

2 “(a) IN GENERAL.—Subject to such terms and condi-
3 tions as the Secretary may prescribe, the Secretary may
4 make loans under this title to entities eligible to borrow
5 from the Rural Utilities Service, emergency communica-
6 tions equipment providers, State or local governments, In-
7 dian tribes (as defined in section 4 of the Indian Self-De-
8 termination and Education Assistance Act (25 U.S.C.
9 450b)), or other public entities for facilities and equipment
10 to expand or improve—

11 “(1) 911 access;

12 “(2) integrated interoperable emergency com-
13 munications, including multiuse networks that—

14 “(A) serve rural areas; and

15 “(B) provide commercial services or trans-
16 portation information services in addition to
17 emergency communications services;

18 “(3) homeland security communications;

19 “(4) transportation safety communications; or

20 “(5) location technologies used outside an ur-
21 banized area.

22 “(b) LOAN SECURITY.—Government-imposed fees re-
23 lated to emergency communications (including State or
24 local 911 fees) may be considered to be security for a loan
25 under this section.

26 “(c) REGULATIONS.—The Secretary shall—

1 “(1) not later than 90 days after the date of
2 enactment of this subsection, promulgate proposed
3 regulations to carry out this section; and

4 “(2) not later than 90 days after the publica-
5 tion of proposed rules to carry out this section,
6 adopt final rules.

7 “(d) AUTHORIZATION OF APPROPRIATIONS.—The
8 Secretary shall use to make loans under this section any
9 funds otherwise made available for telephone or broadband
10 loans for each of fiscal years 2007 through 2012.”.

11 **SEC. 6108. ELECTRIC LOANS TO RURAL ELECTRIC CO-**
12 **OPERATIVES.**

13 Title III of the Rural Electrification Act of 1936 is
14 amended by inserting after section 316 (7 U.S.C. 940f)
15 the following:

16 **“SEC. 317. ELECTRIC LOANS TO RURAL ELECTRIC CO-**
17 **OPERATIVES.**

18 “(a) DEFINITION OF RENEWABLE ENERGY
19 SOURCE.—In this section, the term ‘renewable energy
20 source’ has the meaning given the term ‘qualified energy
21 resources’ in section 45(c)(1) of the Internal Revenue
22 Code of 1986.

23 “(b) LOANS.—In addition to any other funds or au-
24 thorities otherwise made available under this Act, the Sec-
25 retary may make electric loans under this title for—

1 “(1) electric generation from renewable energy
2 resources for resale to rural and nonrural residents;
3 and

4 “(2) transmission lines principally for the pur-
5 pose of wheeling power from 1 or more renewable
6 energy sources.

7 “(c) RATE.—The rate of a loan under this section
8 shall be equal to the average tax-exempt municipal bond
9 rate of similar maturities.”.

10 **SEC. 6109. AGENCY PROCEDURES.**

11 Title III of the Rural Electrification Act of 1936 is
12 amended by inserting after section 317 (as added by sec-
13 tion 6108) the following:

14 **“SEC. 318. AGENCY PROCEDURES.**

15 “(a) CUSTOMER SERVICE.—The Secretary shall en-
16 sure that loan applicants under this Act are contacted at
17 least once each month by the Rural Utilities Service re-
18 garding the status of any pending loan applications.

19 “(b) FINANCIAL NEED.—The Secretary shall ensure
20 that—

21 “(1) an applicant for any grant program ad-
22 ministered by the Rural Utilities Service has an op-
23 portunity to present special economic circumstances
24 in support of the grant, such as the high cost of liv-

1 ing, out migration, low levels of employment, weath-
2 er damage, or environmental loss; and

3 “(2) the special economic circumstances pre-
4 sented by the applicant are considered in deter-
5 mining the financial need of the applicant.

6 “(c) MOBILE DIGITAL WIRELESS.—To facilitate the
7 transition from analog wireless service to digital mobile
8 wireless service, the Secretary may adjust population limi-
9 tations under this Act related to digital mobile wireless
10 service up to the level permitted under section 601.

11 “(d) BONDING REQUIREMENTS.—The Secretary
12 shall review the bonding requirements for all programs ad-
13 ministered by the Rural Utilities Service under this Act
14 to ensure that bonds are not required if—

15 “(1) the interests of the Secretary are ade-
16 quately protected by product warranties; or

17 “(2) the costs or conditions associated with a
18 bond exceed the benefit of the bond to the Sec-
19 retary.”.

20 **SEC. 6110. ACCESS TO BROADBAND TELECOMMUNICATIONS**
21 **SERVICES IN RURAL AREAS.**

22 (a) IN GENERAL.—Section 601 of the Rural Elec-
23 trification Act of 1936 (7 U.S.C. 950bb) is amended to
24 read as follows:

1 **“SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS**
2 **SERVICES IN RURAL AREAS.**

3 “(a) PURPOSE.—The purpose of this section is to
4 provide loans and loan guarantees to provide funds for the
5 costs of the construction, improvement, and acquisition of
6 facilities and equipment for broadband service in rural
7 areas.

8 “(b) DEFINITION OF BROADBAND SERVICE.—In this
9 section:

10 “(1) IN GENERAL.—The term ‘broadband serv-
11 ice’ means any technology identified by the Secretary
12 as having the capacity to transmit data to enable a
13 subscriber to the service to originate and receive
14 high-quality voice, data, graphics, and video.

15 “(2) MOBILE BROADBAND.—The term
16 ‘broadband service’ includes any service described in
17 paragraph (1) that is provided over a licensed spec-
18 trum through the use of a mobile station or receiver
19 communicating with a land station or other mobile
20 stations communicating among themselves.

21 “(c) LOANS AND LOAN GUARANTEES.—

22 “(1) IN GENERAL.—The Secretary shall make
23 or guarantee loans to eligible entities described in
24 subsection (d) to provide funds for the construction,
25 improvement, or acquisition of facilities and equip-

1 ment for the provision of broadband service in rural
2 areas.

3 “(2) PRIORITY.—In making or guaranteeing
4 loans under paragraph (1), the Secretary shall give
5 the highest priority to applicants that offer to pro-
6 vide broadband service to the greatest proportion of
7 households that, prior to the provision of the service,
8 had no terrestrial broadband service provider.

9 “(3) OFFER OF SERVICE.—For purposes of this
10 section, a provider shall be considered to offer
11 broadband service in a rural area if the provider
12 makes the broadband service available to households
13 in the rural area at not more than average prices as
14 compared to the prices at which similar services are
15 made available in the nearest urban area, as deter-
16 mined by the Secretary.

17 “(d) ELIGIBLE ENTITIES.—

18 “(1) REQUIREMENTS.—

19 “(A) IN GENERAL.—To be eligible to ob-
20 tain a loan or loan guarantee under this sec-
21 tion, an entity shall—

22 “(i) have the ability to furnish, im-
23 prove, or extend a broadband service to a
24 rural area;

1 “(ii) submit to the Secretary a pro-
2 posal that meets the requirements of this
3 section for a project to offer to provide
4 service to at least 25 percent of households
5 in a specified rural area that, as of the
6 date on which the proposal is submitted,
7 are not offered broadband service by a ter-
8 restrial broadband service provider; and

9 “(iii) agree to complete buildout of
10 the broadband service described in the pro-
11 posal not later than 3 years after the date
12 on which a loan or loan guarantee under
13 this section is received.

14 “(B) PROHIBITION.—In carrying out this
15 section, the Secretary may not make a loan or
16 loan guarantee for a project in any specific area
17 in which broadband service is offered by 3 or
18 more terrestrial service providers that offer
19 services that are comparable to the services pro-
20 posed by the applicant.

21 “(C) EQUITY AND MARKET SURVEY RE-
22 QUIREMENTS.—

23 “(i) IN GENERAL.—The Secretary
24 may require an entity to provide a cost
25 share in an amount not to exceed 10 per-

1 cent of the amount of the loan or loan
2 guarantee requested in the application of
3 the entity.

4 “(ii) CREDIT.—Recurring revenues of
5 an entity, including broadband service cli-
6 ent revenues, may be credited toward the
7 cost share required under clause (i).

8 “(iii) MARKET SURVEY.—

9 “(I) IN GENERAL.—The Sec-
10 retary may require an entity that pro-
11 poses to have a subscriber projection
12 of more than 20 percent of the
13 broadband service market in a rural
14 area to submit to the Secretary a
15 market survey.

16 “(II) LESS THAN 20 PERCENT.—
17 The Secretary may not require an en-
18 tity that proposes to have a subscriber
19 projection of less than 20 percent of
20 the broadband service market in a
21 rural area to submit to the Secretary
22 a market survey.

23 “(2) STATE AND LOCAL GOVERNMENTS AND IN-
24 DIAN TRIBES.—Subject to paragraph (1), a State or
25 local government (including any agency, subdivision,

1 or instrumentality thereof (including consortia there-
2 of)) and an Indian tribe shall be eligible for a loan
3 or loan guarantee under this section to provide
4 broadband services to a rural area.

5 “(3) ADEQUACY OF SECURITY.—The Secretary
6 shall ensure that the type, amount, and method of
7 security used to secure any loan or loan guarantee
8 provided under this section is commensurate to the
9 risk involved with the loan or loan guarantee, par-
10 ticularly if the loan or loan guarantee is issued to
11 a financially-healthy, strong, and stable entity.

12 “(4) LIMITATION.—No entity (including sub-
13 sidiaries of an entity) may acquire more than 20
14 percent of the resources of the program under this
15 section in any fiscal year, as determined by the Sec-
16 retary.

17 “(5) NOTICE REQUIREMENT.—The Secretary
18 shall include a notice of applications under this sec-
19 tion on the website of the Secretary for a period of
20 not less than 90 days.

21 “(6) PROPOSAL INFORMATION.—

22 “(A) PUBLIC ACCESS.—The Secretary
23 shall make available on the website of the Sec-
24 retary during the consideration of a loan by the
25 Secretary—

1 “(i) the name of the applicant;

2 “(ii) a description and geographical
3 representation of the proposed area of
4 broadband service;

5 “(iii) a geographical representation
6 and numerical estimate of the households
7 that have no terrestrial broadband service
8 offered in the proposed service area of the
9 project; and

10 “(iv) such other relevant information
11 that the Secretary determines to be appro-
12 priate.

13 “(B) PROPRIETARY INFORMATION.—In
14 making information available relating to a loan
15 proposal as described in subparagraph (A), the
16 Secretary shall not make available information
17 that is proprietary (within the meaning of sec-
18 tion 552(b)(4) of title 5, United States Code) to
19 the business interests of the loan applicant.

20 “(7) TIMELINE.—The Secretary shall establish
21 a timeline on the website for the Secretary for track-
22 ing applications received under this section.

23 “(8) ADDITIONAL INFORMATION AND DETER-
24 MINATION.—

1 “(A) PROMPT PROCESSING OF APPLICA-
2 TIONS.—

3 “(i) IN GENERAL.—The Secretary
4 shall establish, by regulation, procedures to
5 ensure prompt processing of loan and loan
6 guarantee applications under this section.

7 “(ii) TIME LIMITS.—Subject to clause
8 (iii), the regulations shall establish general
9 time limits for action by the Secretary and
10 applicant response.

11 “(iii) EXTENSIONS.—The Secretary
12 may grant an extension for a time limit es-
13 tablished under clause (ii).

14 “(iv) ANNUAL REPORTS.—The Sec-
15 retary shall publish an annual report
16 that—

17 “(I) describes processing times
18 for loan and loan guarantee applica-
19 tions under this section; and

20 “(II) provides an explanation for
21 any processing time extensions re-
22 quired by the Secretary.

23 “(B) ADDITIONAL INFORMATION.—Not
24 later than 60 days after the date on which an
25 applicant submits an application, the Secretary

1 shall request any additional information re-
2 quired for the application to be complete.

3 “(C) DETERMINATION.—Not later than
4 180 days after the date on which an applicant
5 submits a completed application, the Secretary
6 shall make a determination of whether to ap-
7 prove the application.

8 “(9) LOAN CLOSING.—Not later than 45 days
9 after the date on which the Secretary approves an
10 application, documents necessary for the closing of
11 the loan or loan guarantee shall be provided to appli-
12 cant.

13 “(10) FUND DISBURSEMENT.—Not later than
14 10 business days after the date of the receipt of
15 valid documentation requesting disbursement of the
16 approved, closed loan, the disbursement of loan
17 funds shall occur.

18 “(11) PREAPPLICATION PROCESS.—The Sec-
19 retary shall establish an optional preapplication
20 process under which an applicant may apply to the
21 Rural Utilities Service for a binding determination
22 of area eligibility prior to preparing a full loan appli-
23 cation.

24 “(12) PENDING APPLICATIONS.—An application
25 for a loan or loan guarantee under this section, or

1 a petition for reconsideration of a decision on such
2 an application, that is pending on the date of enact-
3 ment of this paragraph shall be considered under eli-
4 gibility and feasibility criteria that are no less favor-
5 able to the applicant than the criteria in effect on
6 the original date of submission of the application.

7 “(e) BROADBAND SERVICE.—

8 “(1) IN GENERAL.—The Secretary shall, from
9 time to time as advances in technology warrant, re-
10 view and recommend modifications of rate-of-data
11 transmission criteria for purposes of the identifica-
12 tion of broadband service technologies under sub-
13 section (b).

14 “(2) PROHIBITION.—The Secretary shall not
15 establish requirements for bandwidth or speed that
16 have the effect of precluding the use of evolving
17 technologies appropriate for rural areas outside rural
18 communities.

19 “(f) TECHNOLOGICAL NEUTRALITY.—For purposes
20 of determining whether to make a loan or loan guarantee
21 for a project under this section, the Secretary shall use
22 criteria that are technologically neutral.

23 “(g) TERMS AND CONDITIONS FOR LOANS AND LOAN
24 GUARANTEES.—

1 “(1) IN GENERAL.—Notwithstanding any other
2 provision of law, a loan or loan guarantee under sub-
3 section (c) shall—

4 “(A) bear interest at an annual rate of, as
5 determined by the Secretary—

6 “(i) in the case of a direct loan, the
7 lower of—

8 “(I) the cost of borrowing to the
9 Department of the Treasury for obli-
10 gations of comparable maturity; or

11 “(II) 4 percent; and

12 “(ii) in the case of a guaranteed loan,
13 the current applicable market rate for a
14 loan of comparable maturity; and

15 “(B) except as provided in paragraph (2),
16 have a term not to exceed the useful life of the
17 assets constructed, improved, or acquired with
18 the proceeds of the loan or extension of credit.

19 “(2) TERM OF LOAN EXCEPTION.—A loan or
20 loan guarantee under subsection (c) may have a
21 term not to exceed 30 years if the Secretary deter-
22 mines that the loan security is sufficient.

23 “(3) RECURRING REVENUE.—The Secretary
24 shall consider the recurring revenues of the entity at

1 the time of application in determining an adequate
2 level of credit support.

3 “(h) USE OF LOAN PROCEEDS TO REFINANCE
4 LOANS FOR DEPLOYMENT OF BROADBAND SERVICE.—
5 Notwithstanding any other provision of this Act, the pro-
6 ceeds of any loan made or guaranteed by the Secretary
7 under this Act may be used by the recipient of the loan
8 for the purpose of refinancing an outstanding obligation
9 of the recipient on another telecommunications-related
10 loan made under this Act if the use of the proceeds for
11 that purpose will further the construction, improvement,
12 or acquisition of facilities and equipment for the provision
13 of broadband service in rural areas.

14 “(i) REPORTS.—Not later than 1 year after the date
15 of enactment of the Food and Energy Security Act of
16 2007, and biennially thereafter, the Administrator shall
17 submit to Congress a report that—

18 “(1) describes the ways in which the Adminis-
19 trator determines under subsection (b)(1) that a
20 service enables a subscriber to originate and receive
21 high-quality voice, data, graphics, and video; and

22 “(2) provides a detailed list of services that
23 have been granted assistance under this section.

24 “(j) FUNDING.—

1 “(1) AUTHORIZATION OF APPROPRIATIONS.—

2 There is authorized to be appropriated to the Sec-
3 retary to carry out this section \$25,000,000 for each
4 of fiscal years 2008 through 2012.

5 “(2) ALLOCATION OF FUNDS.—

6 “(A) IN GENERAL.—From amounts made
7 available for each fiscal year under this sub-
8 section, the Secretary shall—

9 “(i) establish a national reserve for
10 loans and loan guarantees to eligible enti-
11 ties in States under this section; and

12 “(ii) allocate amounts in the reserve
13 to each State for each fiscal year for loans
14 and loan guarantees to eligible entities in
15 the State.

16 “(B) AMOUNT.—Based on information
17 available from the most recent decennial census,
18 the amount of an allocation made to a State for
19 a fiscal year under subparagraph (A) shall bear
20 the same ratio to the amount of allocations
21 made for all States for the fiscal year as—

22 “(i) the number of communities with
23 a population of 2,500 inhabitants or less in
24 the State; bears to

1 “(ii) the number of communities with
2 a population of 2,500 inhabitants or less in
3 all States.

4 “(C) UNOBLIGATED AMOUNTS.—Any
5 amounts in the reserve established for a State
6 for a fiscal year under subparagraph (B) that
7 are not obligated by April 1 of the fiscal year
8 shall be available to the Secretary to make
9 loans and loan guarantees under this section to
10 eligible entities in any State, as determined by
11 the Secretary.

12 “(k) TERMINATION OF AUTHORITY.—No loan or loan
13 guarantee may be made under this section after Sep-
14 tember 30, 2012.”.

15 (b) NATIONAL CENTER FOR RURAL TELECOMMUNI-
16 CATIONS ASSESSMENT.—Title VI of Rural Electrification
17 Act of 1936 (7 U.S.C. 950bb et seq.) is amended by add-
18 ing at the end the following:

19 **“SEC. 602. NATIONAL CENTER FOR RURAL TELECOMMUNI-**
20 **CATIONS ASSESSMENT.**

21 “(a) ESTABLISHMENT OF CENTER.—The Secretary
22 shall designate a National Center for Rural Telecommuni-
23 cations Assessment (referred to in this section as the ‘Cen-
24 ter’).

1 “(b) CRITERIA.—In designating the Center, the Sec-
2 retary shall ensure that—

3 “(1) the Center is an entity with a focus on
4 rural policy research and a minimum of 5 years ex-
5 perience in rural telecommunications research and
6 assessment;

7 “(2) the Center is capable of assessing
8 broadband services in rural areas; and

9 “(3) the Center has significant experience with
10 other rural economic development centers and orga-
11 nizations in the assessment of rural policies and for-
12 mulation of policy solutions at the local, State, and
13 Federal levels.

14 “(c) DUTIES.—The Center shall—

15 “(1) assess the effectiveness of programs under
16 this section in increasing broadband availability and
17 use in rural areas, especially in those rural commu-
18 nities identified by the Secretary as having no serv-
19 ice before award of a broadband loan or loan guar-
20 antee under section 601(c);

21 “(2) develop assessments of broadband avail-
22 ability in rural areas, working with existing rural de-
23 velopment centers selected by the Center;

1 “(3) identify policies and initiatives at the local,
2 State, and Federal level that have increased
3 broadband availability and use in rural areas;

4 “(4) conduct national studies of rural house-
5 holds and businesses focusing on the adoption of,
6 barriers to, and use of broadband services, with spe-
7 cific attention addressing the economic, social and
8 educational consequences of inaccessibility to afford-
9 able broadband services;

10 “(5) provide reports to the public on the activi-
11 ties carried out and funded under this section; and

12 “(6) conduct studies and provide recommenda-
13 tions to local, State, and Federal policymakers on ef-
14 fective strategies to bring affordable broadband serv-
15 ices to rural citizens residing outside of the munic-
16 ipal boundaries of rural cities and towns.

17 “(d) REPORTING REQUIREMENTS.—Not later than
18 December 1, 2008, and each year thereafter through De-
19 cember 1, 2012, the Center shall submit to the Secretary
20 a report that—

21 “(1) describes the activities of the Center, the
22 results of research carried out by the Center, and
23 any additional information for the preceding fiscal
24 year that the Secretary may request; and

25 “(2) includes—

1 “(A) assessments of the programs carried
2 out under this section and section 601;

3 “(B) annual assessments on the effects of
4 the policy initiatives identified under subsection
5 (c)(3); and

6 “(C) results from the national studies of
7 rural households and businesses conducted
8 under subsection (c)(4).

9 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
10 is authorized to be appropriated to the Secretary to carry
11 out this section \$1,000,000 for each of fiscal years 2008
12 through 2012.”.

13 (c) REGULATIONS.—The Secretary may promulgate
14 such regulations as are necessary to implement the
15 amendments made by this section.

16 **SEC. 6111. SUBSTANTIALLY UNDERSERVED TRUST AREAS.**

17 The Rural Electrification Act of 1936 is amended by
18 inserting after section 306E (7 U.S.C. 936e) the following:

19 **“SEC. 306F. SUBSTANTIALLY UNDERSERVED TRUST AREAS.**

20 “(a) DEFINITIONS.—In this section:

21 “(1) SUBSTANTIALLY UNDERSERVED TRUST
22 AREA.—The term ‘substantially underserved trust
23 area’ means a community in ‘trust land’ (as defined
24 in section 3765 of title 38, United States Code) in
25 which more than 20 percent of the residents do not

1 have modern, affordable, or reliable utility services,
2 as determined by the Secretary.

3 “(2) UTILITY SERVICE.—The term ‘utility serv-
4 ice’ means electric, telecommunications, broadband,
5 or water service.

6 “(b) INITIATIVE.—The Secretary, in consultation
7 with local governments and Federal agencies, may imple-
8 ment an initiative to identify and improve the availability
9 and quality of utility services in communities in substan-
10 tially underserved trust areas.

11 “(c) AUTHORITY OF SECRETARY.—In carrying out
12 subsection (b), the Secretary—

13 “(1) may make available from loan or loan
14 guarantee programs administered by the Rural Utili-
15 ties Service to qualified utilities or applicants financ-
16 ing with an interest rate as low as 2 percent, and
17 extended repayment terms, for use in facilitating im-
18 proved utility service in substantially underserved
19 trust areas;

20 “(2) may waive nonduplication restrictions,
21 matching fund requirements, credit support require-
22 ments, or other regulations from any loan or grant
23 program administered by the Rural Utilities Service
24 to facilitate the construction, acquisition, or im-
25 provement of infrastructure used to deliver afford-

1 able utility services to substantially underserved
2 trust areas;

3 “(3) may assign the highest funding priority to
4 projects in substantially underserved trust areas;

5 “(4) shall make any loan or loan guarantee
6 found to be financially feasible to provide service to
7 substantially underserved trust areas; and

8 “(5) may conduct research and participate in
9 regulatory proceedings to recommend policy changes
10 to enhance utility service in substantially under-
11 served trust areas.

12 “(d) REPORT.—Not later than 1 year after the date
13 of enactment of this section and annually thereafter, the
14 Secretary shall submit to Congress a report that de-
15 scribes—

16 “(1) the progress of the initiative implemented
17 under subsection (b); and

18 “(2) recommendations for any regulatory or
19 legislative changes that would be appropriate to im-
20 prove services to substantially underserved trust
21 areas.”.

22 **SEC. 6112. STUDY OF FEDERAL ASSISTANCE FOR**
23 **BROADBAND INFRASTRUCTURE.**

24 (a) IN GENERAL.—The Comptroller General of the
25 United States shall conduct a study of—

1 (1) how the Rural Utilities Service takes into
2 account economic factors in the decisionmaking
3 process of the Service in allocating Federal
4 broadband benefits;

5 (2) what other considerations the Rural Utili-
6 ties Service takes into account in making benefit
7 awards;

8 (3) what economic forces prompt Rural Utilities
9 Service broadband loan applicants to seek Federal
10 funding rather than relying on the private market
11 alone;

12 (4) how awards made by the Rural Utilities
13 Service of Federal benefits impact the expansion of
14 broadband infrastructure by the private sector; and

15 (5) what changes to Federal policy are needed
16 to further encourage technology expansion by private
17 broadband service providers.

18 (b) REPORT.—Not later than 30 months after the
19 date of enactment of this Act, the Comptroller General
20 of the United States shall submit to the Committee on
21 Agriculture of the House of Representatives and the Com-
22 mittee on Agriculture, Nutrition, and Forestry of the Sen-
23 ate a report that describes the results of the study con-
24 ducted under subsection (a), including any findings and
25 recommendations.

1 **Subtitle C—Connect the Nation Act**

2 **SEC. 6201. SHORT TITLE.**

3 This subtitle may be cited as the “Connect the Nation
4 Act”.

5 **SEC. 6202. GRANTS TO ENCOURAGE STATE INITIATIVES TO** 6 **IMPROVE BROADBAND SERVICE.**

7 (a) **DEFINITIONS.**—In this section:

8 (1) **BROADBAND SERVICE.**—The term
9 “broadband service” means any service that con-
10 nects the public to the Internet with a data trans-
11 mission-rate equivalent that is at least 200 kilobits
12 per second or 200,000 bits per second, or any suc-
13 cessor transmission-rate established by the Federal
14 Communications Commission for broadband, in at
15 least 1 direction.

16 (2) **ELIGIBLE ENTITY.**—The term “eligible enti-
17 ty” means a nonprofit organization that, in conjunc-
18 tion with State agencies and private sector partners,
19 carries out an initiative under the section to identify
20 and track the availability and adoption of broadband
21 services within States.

22 (3) **NONPROFIT ORGANIZATION.**—The term
23 “nonprofit organization” means an organization
24 that—

1 (A) is described in section 501(c)(3) of the
2 Internal Revenue Code of 1986 and exempt
3 from tax under section 501(a) of that Code;

4 (B) has net earnings that do not inure to
5 the benefit of any member, founder, contrib-
6 utor, or individual associated with the organiza-
7 tion;

8 (C) has an established record of com-
9 petence and working with public and private
10 sectors to accomplish widescale deployment and
11 adoption of broadband services and information
12 technology; and

13 (D) has a board of directors that does not
14 have a majority of individuals who are employed
15 by, or otherwise associated with, any Federal,
16 State, or local government or agency.

17 (4) SECRETARY.—The term “Secretary” means
18 the Secretary of Commerce.

19 (b) PROGRAM.—The Secretary shall award grants to
20 eligible entities to pay the Federal share of the cost of
21 the development and implementation of statewide initia-
22 tives to identify and track the availability and adoption
23 of broadband services within States.

24 (c) PURPOSES.—The purpose of a grant made this
25 section shall be—

1 (1) to ensure, to the maximum extent prac-
2 ticable, that all citizens and businesses in States
3 have access to affordable and reliable broadband
4 service;

5 (2) to promote improved technology literacy, in-
6 creased computer ownership, and home broadband
7 use among those citizens and businesses;

8 (3) to establish and empower local grassroots
9 technology teams in States to plan for improved
10 technology use across multiple community sectors;
11 and

12 (4) to establish and sustain an environment
13 that supports broadband services and information
14 technology investment.

15 (d) ELIGIBILITY.—To be eligible to receive a grant
16 for an initiative under this section, an eligible entity
17 shall—

18 (1) submit an application to the Secretary at
19 such time, in such manner, and containing such in-
20 formation as the Secretary may require; and

21 (2) provide matching non-Federal funds in an
22 amount that is equal to not less than 20 percent of
23 the total cost of the initiative.

24 (e) COMPETITIVE BASIS.—Grants under this section
25 shall be awarded on a competitive basis.

1 (f) PEER REVIEW.—

2 (1) IN GENERAL.—The Secretary shall require
3 technical and scientific peer review of applications
4 for grants under this section.

5 (2) REVIEW PROCEDURES.—The Secretary shall
6 require that any technical and scientific peer review
7 group—

8 (A) be provided a written description of
9 the grant to be reviewed;

10 (B) provide the results of any review by
11 the group to the Secretary; and

12 (C) certify that the group will enter into
13 such voluntary nondisclosure agreements as are
14 necessary to prevent the unauthorized disclo-
15 sure of confidential and propriety information
16 provided by broadband service providers in con-
17 nection with projects funded by a grant under
18 this section.

19 (g) USE OF FUNDS.—A grant awarded to an eligible
20 entity under this section shall be used—

21 (1) to provide a baseline assessment of
22 broadband service deployment in 1 or more partici-
23 pating States;

24 (2) to identify and track—

1 (A) areas in the participating States that
2 have low levels of broadband service deploy-
3 ment;

4 (B) the rate at which individuals and busi-
5 nesses adopt broadband service and other re-
6 lated information technology services; and

7 (C) possible suppliers of the services;

8 (3) to identify barriers to the adoption by indi-
9 viduals and businesses of broadband service and re-
10 lated information technology services, including
11 whether—

12 (A) the demand for the services is absent;
13 and

14 (B) the supply for the services is capable
15 of meeting the demand for the services;

16 (4) to create and facilitate in each county or
17 designated region in the participating States a local
18 technology planning team—

19 (A) with members representing a cross sec-
20 tion of communities, including representatives
21 of business, telecommunications labor organiza-
22 tions, K-12 education, health care, libraries,
23 higher education, community-based organiza-
24 tions, local government, tourism, parks and
25 recreation, and agriculture; and

1 (B) that shall—

2 (i) benchmark technology use across
3 relevant community sectors;

4 (ii) set goals for improved technology
5 use within each sector; and

6 (iii) develop a tactical business plan
7 for achieving the goals of the team, with
8 specific recommendations for online appli-
9 cation development and demand creation;

10 (5) to work collaboratively with broadband serv-
11 ice providers and information technology companies
12 to encourage deployment and use, especially in
13 unserved, underserved, and rural areas, through the
14 use of local demand aggregation, mapping analysis,
15 and the creation of market intelligence to improve
16 the business case for providers to deploy;

17 (6) to establish programs to improve computer
18 ownership and Internet access for unserved, under-
19 served, and rural populations;

20 (7) to collect and analyze detailed market data
21 concerning the use and demand for broadband serv-
22 ice and related information technology services;

23 (8) to facilitate information exchange regarding
24 the use and demand for broadband services between
25 public and private sectors; and

1 (9) to create within the participating States a
2 geographic inventory map of broadband service that
3 shall—

4 (A) identify gaps in the service through a
5 method of geographic information system map-
6 ping of service availability at the census block
7 level; and

8 (B) provide a baseline assessment of state-
9 wide broadband deployment in terms of house-
10 holds with high-speed availability.

11 (h) PARTICIPATION LIMITATION.—For each partici-
12 pating State, an eligible entity may not receive a new
13 grant under this section to carry out the activities de-
14 scribed in subsection (g) within the participating State if
15 the eligible entity obtained prior grant awards under this
16 section to carry out the same activities in the participating
17 State for each of the previous 4 fiscal years.

18 (i) REPORT.—Each recipient of a grant under this
19 section shall submit to the Secretary a report describing
20 the use of the funds provided by the grant.

21 (j) NO REGULATORY AUTHORITY.—Nothing in this
22 section provides any public or private entity with any regu-
23 latory jurisdiction or oversight authority over providers of
24 broadband services or information technology.

1 (k) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated to carry out this section
3 \$40,000,000 for each of fiscal years 2008 through 2012.

4 **Subtitle D—Food, Agriculture, Con-**
5 **servation, and Trade Act of 1990**

6 **SEC. 6301. RURAL ELECTRONIC COMMERCE EXTENSION**
7 **PROGRAM.**

8 Section 1670(e) of the Food, Agriculture, Conserva-
9 tion, and Trade Act of 1990 (7 U.S.C. 5923(e)) is amend-
10 ed by striking “2007” and inserting “2012”.

11 **SEC. 6302. TELEMEDICINE, LIBRARY CONNECTIVITY, PUB-**
12 **LIC TELEVISION, AND DISTANCE LEARNING**
13 **SERVICES IN RURAL AREAS.**

14 (a) IN GENERAL.—Chapter 1 of subtitle D of title
15 XXII of the Food, Agriculture, Conservation, and Trade
16 Act of 1990 (7 U.S.C. 950aaa et seq.) is amended in the
17 chapter heading by striking “**AND DISTANCE**
18 **LEARNING**” and inserting “**, LIBRARY**
19 **CONNECTIVITY, PUBLIC TELEVISION, AND**
20 **DISTANCE LEARNING**”.

21 (b) PURPOSE.—Section 2331 of the Food, Agri-
22 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
23 950aaa) is amended by striking “telemedicine services and
24 distance learning” and inserting “telemedicine services, li-
25 brary connectivity, and distance learning”.

1 (c) DEFINITIONS.—Section 2332 of the Food, Agri-
2 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
3 950aaa-1) is amended—

4 (1) by redesignating paragraphs (1) through
5 (3) as paragraphs (2) through (4), respectively; and
6 (2) by inserting before paragraph (2) (as so re-
7 designated) the following:

8 “(1) CONNECTIVITY.—The term ‘connectivity’
9 means the ability to use a range of high-speed dig-
10 ital services or networks.”.

11 (d) TELEMEDICINE, LIBRARY CONNECTIVITY, AND
12 DISTANCE LEARNING SERVICES IN RURAL AREAS.—Sec-
13 tion 2333 of the Food, Agriculture, Conservation, and
14 Trade Act of 1990 (7 U.S.C. 950aaa-2) is amended—

15 (1) in the section heading, by striking “**AND**
16 **DISTANCE LEARNING**” and inserting “**, LIBRARY**
17 **CONNECTIVITY, PUBLIC TELEVISION, AND DIS-**
18 **TANCE LEARNING**”;

19 (2) in subsection (a), by striking “construction
20 of facilities and systems to provide telemedicine serv-
21 ices and distance learning services” and inserting
22 “construction and use of facilities and systems to
23 provide telemedicine services, library connectivity,
24 distance learning services, and public television sta-
25 tion digital conversion”;

1 (3) in subsection (b), by striking paragraph (2)
2 and inserting the following:

3 “(2) FORM.—The Secretary shall establish by
4 notice the amount of the financial assistance avail-
5 able to applicants in the form of grants, costs of
6 money loans, combinations of grants and loans, or
7 other financial assistance so as to—

8 “(A)(i) further the purposes of this chap-
9 ter; and

10 “(ii) in the case of loans, result in the
11 maximum feasible repayment to the Federal
12 Government of the loan; and

13 “(B) to ensure that funds made available
14 to carry out this chapter are used to the max-
15 imum extent practicable to assist useful and
16 needed projects.”;

17 (4) in subsection (c)—

18 (A) in paragraph (1)—

19 (i) in the matter preceding subpara-
20 graph (A), by striking “financial assist-
21 ance” and inserting “assistance in the
22 form of grants”;

23 (ii) in subparagraph (A), by striking
24 “and” at the end;

25 (iii) in subparagraph (B)—

1 (I) by striking “service or dis-
2 tance” and inserting “services, library
3 connectivity services, public television
4 station digital conversion, or dis-
5 tance”;

6 (II) by striking the period at the
7 end and inserting a semicolon; and

8 (III) by adding at the end the
9 following:

10 “(C) libraries or library support organiza-
11 tions;

12 “(D) public television stations and the par-
13 ent organizations of public television stations;
14 and

15 “(E) schools, libraries, and other facilities
16 operated by the Bureau of Indian Affairs or the
17 Indian Health Service.”;

18 (B) in paragraph (4), by striking “services
19 or distance” and inserting “service, library
20 connectivity, public television station digital
21 conversion, or distance”; and

22 (C) by adding at the end the following:

23 “(5) PUBLIC TELEVISION GRANTS.—The Sec-
24 retary shall establish a separate competitive process

1 to determine the allocation of grants under this
2 chapter to public television stations.”;

3 (5) in subsection (d)—

4 (A) in the matter preceding paragraph (1),
5 by inserting “1 or more of” after “considering”;

6 (B) in paragraph (12), by striking “and”
7 at the end;

8 (C) by redesignating paragraph (13) as
9 paragraph (14); and

10 (D) by inserting after paragraph (12) the
11 following:

12 “(13) the cost and availability of high-speed
13 network access; and”;

14 (6) by striking subsection (f) and inserting the
15 following:

16 “(f) USE OF FUNDS.—Financial assistance provided
17 under this chapter shall be used for—

18 “(1) the development, acquisition, and digital
19 distribution of instructional programming to rural
20 users;

21 “(2) the development and acquisition, through
22 lease or purchase, of computer hardware and soft-
23 ware, audio and visual equipment, computer network
24 components, telecommunications terminal equip-
25 ment, telecommunications transmission facilities,

1 data terminal equipment, or interactive video equip-
2 ment, teleconferencing equipment, or other facilities
3 that would further telemedicine services, library
4 connectivity, or distance learning services;

5 “(3) the provision of technical assistance and
6 instruction for the development or use of the pro-
7 gramming, equipment, or facilities referred to in
8 paragraphs (1) and (2);

9 “(4) the acquisition of high-speed network
10 transmission equipment or services that would not
11 otherwise be available or affordable to the applicant;

12 “(5) costs relating to the coordination and col-
13 laboration among and between libraries on
14 connectivity and universal service initiatives, or the
15 development of multi-library connectivity plans that
16 benefit rural users; or

17 “(6) other uses that are consistent with this
18 chapter, as determined by the Secretary.”; and

19 (7) in subsection (i)—

20 (A) in paragraph (1), by striking “tele-
21 medicine or distance” and inserting “telemedi-
22 cine, library connectivity, public television sta-
23 tion digital conversion, or distance”; and

24 (B) in paragraph (2)—

1 (i) in subparagraph (A), by striking
2 “telemedicine or distance” and inserting
3 “telemedicine, library connectivity, or dis-
4 tance”; and
5 (ii) in subparagraph (B), by inserting
6 “nonproprietary information contained in”
7 before “the applications”.

8 (e) ADMINISTRATION.—Section 2334 of the Food,
9 Agriculture, Conservation, and Trade Act of 1990 (7
10 U.S.C. 950aaa-3) is amended—

11 (1) in subsection (a), by striking “services or
12 distance” and inserting “services, library
13 connectivity, or distance”; and

14 (2) in subsection (d), by striking “or distance
15 learning” and all that follows through the end of the
16 subsection and inserting “, library connectivity, or
17 distance learning services through telecommuni-
18 cations in rural areas.”.

19 (f) AUTHORIZATION OF APPROPRIATIONS.—Section
20 2335A of the Food, Agriculture, Conservation, and Trade
21 Act of 1990 (7 U.S.C. 950aaa-5) is amended by striking
22 “2007” and inserting “2012”.

23 (g) CONFORMING AMENDMENT.—Section 1(b) of
24 Public Law 102–551 (7 U.S.C. 950aaa note; Public Law

1 102–551) is amended by striking “2007” and inserting
2 “2012”.

3 **Subtitle E—Miscellaneous**

4 **SEC. 6401. VALUE-ADDED AGRICULTURAL PRODUCT MAR-**
5 **KET DEVELOPMENT GRANTS.**

6 (a) DEFINITIONS.—Section 231 of the Agricultural
7 Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public
8 Law 106–224) is amended by striking subsection (a) and
9 inserting the following:

10 “(a) DEFINITIONS.—In this section:

11 “(1) ASSISTING ORGANIZATION.—The term ‘as-

12 sisting organization’ means a nonprofit organization,

13 institution of higher education, or units of govern-

14 ment with expertise, as determined by the Secretary,

15 to assist eligible producers and entities described in

16 subsection (b)(1) through—

17 “(A) the provision of market research,

18 training, or technical assistance; or

19 “(B) the development of supply networks

20 for value-added products that strengthen the

21 profitability of small and mid-sized family

22 farms.

23 “(2) TECHNICAL ASSISTANCE.—The term ‘tech-

24 nical assistance’ means managerial, financial, oper-

25 ational, and scientific analysis and consultation to

1 assist an individual or entity (including a recipient
2 or potential recipient of a grant under this sec-
3 tion)—

4 “(A) to identify and evaluate practices, ap-
5 proaches, problems, opportunities, or solutions;
6 and

7 “(B) to assist in the planning, implementa-
8 tion, management, operation, marketing, or
9 maintenance of projects authorized under this
10 section.

11 “(3) VALUE-ADDED AGRICULTURAL PROD-
12 UCT.—

13 “(A) IN GENERAL.—The term ‘value-added
14 agricultural product’ means any agricultural
15 commodity or product that—

16 “(i)(I) has undergone a change in
17 physical state;

18 “(II) was produced in a manner that
19 enhances the value of the agricultural com-
20 modity or product, as demonstrated
21 through a business plan that shows the en-
22 hanced value, as determined by the Sec-
23 retary; or

24 “(III) is physically segregated in a
25 manner that results in the enhancement of

1 the value of the agricultural commodity or
2 product; and

3 “(ii) as a result of the change in phys-
4 ical state or the manner in which the agri-
5 cultural commodity or product was pro-
6 duced, marketed, or segregated—

7 “(I) the customer base for the
8 agricultural commodity or product has
9 been expanded; and

10 “(II) a greater portion of the rev-
11 enue derived from the marketing,
12 processing, or physical segregation of
13 the agricultural commodity or product
14 is available to the producer of the
15 commodity or product.

16 “(B) INCLUSION.—The term ‘value-added
17 agricultural products’ includes—

18 “(i) farm- or ranch-based renewable
19 energy, including the sale of E-85 fuel; and

20 “(ii) the aggregation and marketing of
21 locally-produced agricultural food prod-
22 ucts.”.

23 (b) GRANT PROGRAM.—Section 231(b) of the Agri-
24 cultural Risk Protection Act of 2000 (7 U.S.C. 1621 note;
25 Public Law 106–224) is amended—

1 (1) in paragraph (2)—

2 (A) in subparagraph (A), by striking “ex-
3 ceed \$500,000” and inserting “exceed—

4 “(i) \$300,000 in the case of grants in-
5 cluding working capital; and

6 “(ii) \$100,000 in the case of all other
7 grants.”; and

8 (B) by adding at the end the following:

9 “(C) RESEARCH, TRAINING, TECHNICAL
10 ASSISTANCE, AND OUTREACH.—The amount of
11 grant funds provided to an assisting organiza-
12 tion for a fiscal year may not exceed 10 percent
13 of the total amount of funds that are used to
14 make grants for the fiscal year under this sub-
15 section.”;

16 (2) in paragraph (3)—

17 (A) in subparagraph (A), by striking “or”
18 at the end;

19 (B) in subparagraph (B), by striking the
20 period at the end and inserting “; or”; and

21 (C) by adding at the end the following:

22 “(C) to conduct market research, provide
23 training and technical assistance, develop sup-
24 ply networks, or provide program outreach.”;
25 and

1 (3) by striking paragraph (4) and inserting the
2 following:

3 “(4) TERM.—A grant under this section shall
4 have a term that does not exceed 3 years.

5 “(5) SIMPLIFIED APPLICATION.—The Secretary
6 shall offer a simplified application form and process
7 for project proposals requesting less than \$50,000.

8 “(6) PRIORITY.—

9 “(A) IN GENERAL.—In awarding grants,
10 the Secretary shall give the priority to projects
11 that—

12 “(i) contribute to increasing opportu-
13 nities for beginning farmers or ranchers,
14 socially disadvantaged farmers or ranchers,
15 and operators of small- and medium-sized
16 farms and ranches that are not larger than
17 family farms; and

18 “(ii) support new ventures that do not
19 have well-established markets or product
20 development staffs and budgets, including
21 the development of local food systems and
22 the development of infrastructure to sup-
23 port local food systems.

24 “(B) PARTICIPATION.—To the maximum
25 extent practicable, the Secretary shall provide

1 grants to projects that provide training and
2 outreach activities in areas that have, as deter-
3 mined by the Secretary, received relatively
4 fewer grants than other areas.

5 “(7) AUTHORIZATION OF APPROPRIATIONS.—

6 There are authorized to be appropriated such sums
7 as are necessary to carry out this subsection for
8 each of fiscal years 2008 through 2012.”.

9 **SEC. 6402. STUDY OF RAILROAD ISSUES.**

10 (a) IN GENERAL.—The Secretary, in coordination
11 with the Secretary of Transportation, shall conduct a
12 study of railroad issues regarding the movement of agri-
13 cultural products, domestically-produced renewable fuels,
14 and domestically-produced resources for the production of
15 electricity in rural areas of the United States and for eco-
16 nomic development in rural areas of the United States.

17 (b) ISSUE.—In conducting the study, the Secretary
18 shall include an examination of—

19 (1) the importance of freight railroads to—

20 (A) the delivery of equipment, seed, fer-
21 tilizer, and other products that are important to
22 the development of agricultural commodities
23 and products;

24 (B) the movement of agricultural commod-
25 ities and products to market; and

1 (C) the delivery of ethanol and other re-
2 newable fuels;

3 (2) the sufficiency in rural areas of the United
4 States of—

5 (A) railroad capacity;

6 (B) competition in the railroad system;

7 and

8 (C) the reliability of rail service; and

9 (3) the accessibility to rail customers in rural
10 areas of the United States to Federal processes for
11 the resolution of rail customer grievances with the
12 railroads.

13 (c) REPORT.—Not later than 270 days after the date
14 of enactment of this Act, the Secretary shall submit to
15 Congress a report that describes—

16 (1) the results of the study conducted under
17 this section; and

18 (2) the recommendations of the Secretary for
19 new Federal policies to address any problems identi-
20 fied by the study.

21 **SEC. 6403. INSURANCE OF LOANS FOR HOUSING AND RE-**
22 **LATED FACILITIES FOR DOMESTIC FARM**
23 **LABOR.**

24 Section 514(f)(3) of the Housing Act of 1949 (42
25 U.S.C. 1484(f)(3)) is amended by striking “or the han-

1 dling of such commodities in the unprocessed stage” and
2 inserting “, the handling of agricultural or aquacultural
3 commodities in the unprocessed stage, or the processing
4 of agricultural or aquacultural commodities”.

5 **TITLE VII—RESEARCH AND**
6 **RELATED MATTERS**
7 **Subtitle A—National Agricultural**
8 **Research, Extension, and Teach-**
9 **ing Policy Act of 1977**

10 **SEC. 7001. DEFINITIONS.**

11 Section 1404 of the National Agricultural Research,
12 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
13 3103) is amended—

14 (1) in paragraph (4)—

15 (A) by redesignating subparagraphs (A)
16 through (E) as clauses (i) through (v), respec-
17 tively;

18 (B) by striking “(4) The terms” and in-
19 serting the following:

20 “(4) COLLEGE AND UNIVERSITY.—

21 “(A) IN GENERAL.—The terms”; and

22 (C) by adding at the end the following:

23 “(B) INCLUSIONS.—The terms ‘college’
24 and ‘university’ include a research foundation

1 maintained by a college or university described
2 in subparagraph (A).”;

3 (2) by redesignating paragraphs (6) through
4 (8), (9) through (14), (15), and (16) as paragraphs
5 (7) through (9), (11) through (16), (19), and (6),
6 respectively, and moving the paragraphs so as to ap-
7 pear in alphabetical order;

8 (3) by inserting after paragraph (9) (as redesign-
9 nated by paragraph (2)) the following:

10 “(10) HISPANIC-SERVING AGRICULTURAL COL-
11 LEGES AND UNIVERSITIES.—The term ‘Hispanic-
12 serving agricultural colleges and universities’ means
13 a college or university that—

14 “(A) qualifies as a Hispanic-serving insti-
15 tution; and

16 “(B) offers associate, bachelor’s, or other
17 accredited degree programs in agriculture-re-
18 lated fields.”; and

19 (4) by striking paragraph (11) (as so redesign-
20 nated) and inserting the following:

21 “(11) HISPANIC-SERVING INSTITUTION.—The
22 term ‘Hispanic-serving institution’ has the meaning
23 given the term in section 502(a) of the Higher Edu-
24 cation Act of 1965 (20 U.S.C. 1101a(a)).”.

1 **SEC. 7002. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
2 **SION, EDUCATION, AND ECONOMICS ADVI-**
3 **SORY BOARD.**

4 Section 1408(h) of the National Agricultural Re-
5 search, Extension, and Teaching Policy Act of 1977 (7
6 U.S.C. 3123(h)) is amended by striking “2007” and in-
7 serting “2012”.

8 **SEC. 7003. VETERINARY MEDICINE LOAN REPAYMENT.**

9 Section 1415A of the National Agricultural Research,
10 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
11 3151a) is amended—

12 (1) by redesignating subsection (d) as sub-
13 section (e); and

14 (2) by inserting after subsection (c) the fol-
15 lowing:

16 “(d) REGULATIONS.—Not later than 270 days after
17 the date of enactment of the Food and Energy Security
18 Act of 2007, the Secretary shall promulgate regulations
19 to carry out this section.”.

20 **SEC. 7004. ELIGIBILITY OF UNIVERSITY OF THE DISTRICT**
21 **OF COLUMBIA FOR GRANTS AND FELLOW-**
22 **SHIPS FOR FOOD AND AGRICULTURAL**
23 **SCIENCES EDUCATION.**

24 Section 1417 of the National Agricultural Research,
25 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
26 3152) is amended—

1 (1) in the matter preceding paragraph (1) of
2 subsection (b), by inserting “(including the Univer-
3 sity of the District of Columbia)” after “land-grant
4 colleges and universities”; and

5 (2) in subsection (d)(2), by inserting “(includ-
6 ing the University of the District of Columbia)”
7 after “universities”.

8 **SEC. 7005. GRANTS TO 1890 INSTITUTIONS TO EXPAND EX-**
9 **TENSION CAPACITY.**

10 Section 1417(b)(4) of the National Agricultural Re-
11 search, Extension, and Teaching Policy Act of 1977 (7
12 U.S.C. 3152(b)(4)) is amended by striking “teaching and
13 research” and inserting “teaching, research, and exten-
14 sion”.

15 **SEC. 7006. EXPANSION OF FOOD AND AGRICULTURAL**
16 **SCIENCES AWARDS.**

17 Section 1417(i) of the National Agricultural Re-
18 search, Extension, and Teaching Policy Act of 1977 (7
19 U.S.C. 3152(i)) is amended—

20 (1) in the subsection heading, by striking
21 “TEACHING AWARDS ” and “TEACHING, EXTEN-
22 SION, AND RESEARCH AWARDS”; and

23 (2) by striking paragraph (1) and inserting the
24 following:

25 “(1) ESTABLISHMENT.—

1 “(A) IN GENERAL.—The Secretary shall
2 establish a National Food and Agricultural
3 Sciences Teaching, Extension, and Research
4 Awards program to recognize and promote ex-
5 cellence in teaching, extension, and research in
6 the food and agricultural sciences at a college
7 or university.

8 “(B) MINIMUM REQUIREMENT.—The Sec-
9 retary shall make at least 1 cash award in each
10 fiscal year to a nominee selected by the Sec-
11 retary for excellence in each of the areas of
12 teaching, extension, and research of food and
13 agricultural science at a college or university.”.

14 **SEC. 7007. GRANTS AND FELLOWSHIPS FOR FOOD AND AG-**
15 **RICULTURAL SCIENCES EDUCATION.**

16 (a) EDUCATION TEACHING PROGRAMS.—Section
17 1417(j) of the National Agricultural Research, Extension
18 and Teaching Policy Act of 1977 (7 U.S.C. 3152(j)) is
19 amended—

20 (1) in the subsection heading, by striking “AND
21 2-YEAR POSTSECONDARY EDUCATION TEACHING
22 PROGRAMS” and inserting “, 2-YEAR POSTSEC-
23 ONDARY EDUCATION, AND AGRICULTURE IN THE
24 K–12 CLASSROOM”; and

25 (2) in paragraph (3)—

1 (A) in the matter preceding subparagraph
2 (A), by striking “and institutions of higher edu-
3 cation that award an associate’s degree” and
4 inserting “, institutions of higher education
5 that award an associate’s degree, other institu-
6 tions of higher education, and nonprofit organi-
7 zations”;

8 (B) in subparagraph (E), by striking
9 “and” at the end;

10 (C) in subparagraph (F), by striking the
11 period at the end and inserting “; and”; and

12 (D) by adding at the end the following:

13 “(G) to support current agriculture in the
14 classroom programs for grades K–12.”.

15 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
16 1417(l) of the National Agricultural Research, Extension,
17 and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is
18 amended by striking “2007” and inserting “2012”.

19 (c) REPORT.—Section 1417 of the National Agricul-
20 tural Research, Extension and Teaching Policy Act of
21 1977 (7 U.S.C. 3152) is amended—

22 (1) by redesignating subsection (l) as subsection
23 (m); and

24 (2) by inserting after subsection (k) the fol-
25 lowing:

1 “(l) REPORT.—The Secretary shall submit an annual
2 report to the Committee on Agriculture of the House of
3 Representatives and the Committee on Agriculture, Nutri-
4 tion, and Forestry of the Senate describing the distribu-
5 tion of funds used to implement teaching programs under
6 subsection (j).”.

7 **SEC. 7008. GRANTS FOR RESEARCH ON PRODUCTION AND**
8 **MARKETING OF ALCOHOLS AND INDUSTRIAL**
9 **HYDROCARBONS FROM AGRICULTURAL COM-**
10 **MODITIES AND FOREST PRODUCTS.**

11 Section 1419(d) of the National Agricultural Re-
12 search, Extension, and Teaching Policy Act of 1977 (7
13 U.S.C. 3154(d)) is amended by striking “2007” and in-
14 serting “2012”.

15 **SEC. 7009. POLICY RESEARCH CENTERS.**

16 Section 1419A of the National Agricultural Research,
17 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
18 3155) is amended—

19 (1) in subsection (b), by inserting “(including
20 the Food Agricultural Policy Research Institute, the
21 Agricultural and Food Policy Center, the Rural Pol-
22 icy Research Institute, and the Community Vitality
23 Center)” after “research institutions and organiza-
24 tions”; and

1 (2) in subsection (d), by striking “2007” and
2 inserting “2012”.

3 **SEC. 7010. HUMAN NUTRITION INTERVENTION AND**
4 **HEALTH PROMOTION RESEARCH PROGRAM.**

5 Section 1424(d) of the National Agricultural Re-
6 search, Extension, and Teaching Policy Act of 1977 (7
7 U.S.C. 3174(d)) is amended by striking “2007” and in-
8 serting “2012”.

9 **SEC. 7011. PILOT RESEARCH PROGRAM TO COMBINE MED-**
10 **ICAL AND AGRICULTURAL RESEARCH.**

11 Section 1424A(d) of the National Agricultural Re-
12 search, Extension, and Teaching Policy Act of 1977 (7
13 U.S.C. 3174a(d)) is amended by striking “2007” and in-
14 serting “2012”.

15 **SEC. 7012. NUTRITION EDUCATION PROGRAM.**

16 (a) DEFINITIONS.—Section 1425 of the National Ag-
17 ricultural Research, Extension, and Teaching Policy Act
18 of 1977 (7 U.S.C. 3175) is amended—

19 (1) by redesignating subsections (a) through (c)
20 as subsections (b) through (d), respectively;

21 (2) by striking the section heading and “SEC.
22 1425.” and inserting the following:

23 **“SEC. 1425. NUTRITION EDUCATION PROGRAM.**

24 “(a) DEFINITIONS.—In this section, the terms ‘1862
25 Institution’ and ‘1890 Institution’ have the meaning given

1 those terms in section 2 of the Agricultural Research, Ex-
2 tension, and Education Reform Act of 1998 (7 U.S.C.
3 7601).”;

4 (3) in subsection (b) (as redesignated by para-
5 graph (1)), by striking “The Secretary” and insert-
6 ing the following:

7 “(b) ESTABLISHMENT.—The Secretary”; and

8 (4) in subsection (c) (as so redesignated), by
9 striking “In order to enable” and inserting the fol-
10 lowing:

11 “(c) EMPLOYMENT AND TRAINING.—To enable”.

12 (b) FUNDING TO 1862, 1890, AND INSULAR AREA
13 INSTITUTIONS.—Subsection (d) of section 1425 of the Na-
14 tional Agricultural Research, Extension, and Teaching
15 Policy Act of 1977 (7 U.S.C. 3175) (as redesignated by
16 subsection (a)(1)) is amended—

17 (1) in the matter preceding paragraph (1), by
18 striking “Beginning” and inserting the following:

19 “(d) ALLOCATION OF FUNDING.—Beginning”; and

20 (2) in paragraph (2), by striking subparagraph
21 (B) and inserting the following:

22 “(B) Notwithstanding section 3(d)(2) of
23 the Act of May 8, 1914 (7 U.S.C. 343(d)(2)),
24 the remainder shall be allocated among the
25 States as follows:

900

1 “(i) \$100,000 shall be distributed to
2 each 1862 and 1890 land-grant college and
3 university.

4 “(ii)(I) Subject to subclause (II), of
5 the remainder, 10 percent for fiscal year
6 2008, 11 percent for fiscal year 2009, 12
7 percent for fiscal year 2010, 13 percent for
8 fiscal year 2011, 14 percent for fiscal year
9 2012, and 15 percent for each fiscal year
10 thereafter, shall be distributed among the
11 1890 Institutions, to be allocated to each
12 1890 Institution in an amount that bears
13 the same ratio to the total amount to be
14 allocated under this clause as—

15 “(aa) the population living at or
16 below 125 percent of the income pov-
17 erty guidelines (as prescribed by the
18 Office of Management and Budget
19 and as adjusted pursuant to section
20 673(2) of the Community Services
21 Block Grant Act (42 U.S.C. 9902(2)))
22 in the State in which the 1890 Insti-
23 tution is located; bears to

24 “(bb) the total population living
25 at or below 125 percent of the income

1 poverty guidelines in all States that
2 have 1890 Institutions, as determined
3 by the last preceding decennial census
4 at the time each such additional
5 amount is first appropriated.

6 “(II) The total amount allocated
7 under this clause shall not exceed the
8 amount of the funds appropriated for the
9 conduct of the expanded food and nutrition
10 education program for the fiscal year that
11 are in excess of the amount appropriated
12 for the conduct of the program for fiscal
13 year 2007.

14 “(iii)(I) Subject to subclauses (II) and
15 (III), the remainder shall be allocated to
16 the 1860 institution in each State (includ-
17 ing the appropriate insular area institution
18 and the University of the District of Co-
19 lumbia) in an amount that bears the same
20 ratio to the total amount to be allocated
21 under this subparagraph as—

22 “(aa) the population of the State
23 living at or below 125 percent of the
24 income poverty guidelines prescribed
25 by the Office of Management and

1 Budget (adjusted pursuant to section
2 673(2) of the Omnibus Budget Rec-
3 onciliation Act of 1981 (42 U.S.C.
4 9902(2))); bears to

5 “(bb) the total population of all
6 the States living at or below 125 per-
7 cent of the income poverty guidelines,
8 as determined by the last preceding
9 decennial census at the time each
10 such additional amount is first appro-
11 priated.

12 “(II) The total amount allocated
13 under this clause to the University of the
14 District of Columbia shall not exceed the
15 amount described in clause (ii)(II), reduced
16 by the amount allocated to the University
17 of the District of Columbia under clause
18 (ii).

19 “(III) Nothing in this clause pre-
20 cludes the Secretary from developing edu-
21 cational materials and programs for per-
22 sons in income ranges above the level des-
23 ignated in this clause.”.

24 (c) AUTHORIZATION OF APPROPRIATIONS.—Sub-
25 section (d)(3) of section 1425 of the National Agricultural

1 Research, Extension, and Teaching Policy Act of 1977 (7
2 U.S.C. 3175) (as redesignated by subsection (a)(1)) is
3 amended—

4 (1) by striking “There is” and inserting the fol-
5 lowing:

6 “(3) AUTHORIZATION OF APPROPRIATIONS.—
7 There is”; and

8 (2) by striking “\$83,000,000 for each of fiscal
9 years 1996 through 2007” and inserting
10 “\$90,000,000 for each of fiscal years 2008 through
11 2012”.

12 (d) CONFORMING AMENDMENT.—Section 1588(b) of
13 the Food Security Act of 1985 (7 U.S.C. 3175e(b)) is
14 amended by striking “section 1425(c)(2)” and inserting
15 “section 1425(d)(2)”.

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section take effect on October 1, 2007.

18 **SEC. 7013. CONTINUING ANIMAL HEALTH AND DISEASE RE-**
19 **SEARCH PROGRAMS.**

20 Section 1433(a) of the National Agricultural Re-
21 search, Extension, and Teaching Policy Act of 1977 (7
22 U.S.C. 3195(a)) is amended in the first sentence by strik-
23 ing “2007” and inserting “2012”.

1 **SEC. 7014. APPROPRIATIONS FOR RESEARCH ON NATIONAL**
2 **OR REGIONAL PROBLEMS.**

3 Section 1434(a) of the National Agricultural Re-
4 search, Extension, and Teaching Policy Act of 1977 (7
5 U.S.C. 3196(a)) is amended by striking “2007” and in-
6 serting “2012”.

7 **SEC. 7015. ANIMAL HEALTH AND DISEASE RESEARCH PRO-**
8 **GRAM.**

9 Section 1434(b) of the National Agricultural Re-
10 search, Extension, and Teaching Policy Act of 1977 (7
11 U.S.C. 3196(b)) is amended by inserting after “univer-
12 sities” the following: “(including 1890 Institutions (as de-
13 fined in section 2 of the Agricultural Research, Extension,
14 and Education Reform Act of 1998 (7 U.S.C. 7601)))”.

15 **SEC. 7016. AUTHORIZATION LEVEL FOR EXTENSION AT 1890**
16 **LAND-GRANT COLLEGES.**

17 Section 1444(a)(2) of the National Agricultural Re-
18 search, Extension, and Teaching Policy Act of 1977 (7
19 U.S.C. 3221(a)(2)) is amended by striking “15 percent”
20 and inserting “20 percent”.

21 **SEC. 7017. AUTHORIZATION LEVEL FOR AGRICULTURAL RE-**
22 **SEARCH AT 1890 LAND-GRANT COLLEGES.**

23 Section 1445(a)(2) of the National Agricultural Re-
24 search, Extension, and Teaching Policy Act of 1977 (7
25 U.S.C. 3222(a)(2)) is amended by striking “25 percent”
26 and inserting “30 percent”.

1 **SEC. 7018. GRANTS TO UPGRADE AGRICULTURAL AND**
2 **FOOD SCIENCES FACILITIES AT 1890 LAND-**
3 **GRANT COLLEGES, INCLUDING TUSKEGEE**
4 **UNIVERSITY.**

5 Section 1447(b) of the National Agricultural Re-
6 search, Extension, and Teaching Policy Act of 1977 (7
7 U.S.C. 3222b(b)) is amended by striking “2007” and in-
8 serting “2012”.

9 **SEC. 7019. GRANTS TO UPGRADE AGRICULTURE AND FOOD**
10 **SCIENCES FACILITIES AT THE DISTRICT OF**
11 **COLUMBIA LAND GRANT UNIVERSITY.**

12 The National Agricultural Research, Extension, and
13 Teaching Policy Act of 1977 is amended by inserting after
14 section 1447 (7 U.S.C. 3222b) the following:

15 **“SEC. 1447A. GRANTS TO UPGRADE AGRICULTURE AND**
16 **FOOD SCIENCES FACILITIES AT THE DIS-**
17 **TRICT OF COLUMBIA LAND GRANT UNIVER-**
18 **SITY.**

19 “(a) PURPOSE.—It is the intent of Congress to assist
20 the land grant university in the District of Columbia es-
21 tablished under section 208 of the District of Columbia
22 Public Postsecondary Education Reorganization Act (Pub-
23 lic Law 93–471; 88 Stat. 1428) in efforts to acquire, alter,
24 or repair facilities or relevant equipment necessary for
25 conducting agricultural research.

1 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to carry out this section
3 \$750,000 for each of fiscal years 2008 through 2012.”.

4 **SEC. 7020. NATIONAL RESEARCH AND TRAINING VIRTUAL**
5 **CENTERS.**

6 Section 1448 of the National Agricultural Research,
7 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
8 3222c) is amended by striking “2007” each place it ap-
9 pears in subsections (a)(1) and (f) and inserting “2012”.

10 **SEC. 7021. MATCHING FUNDS REQUIREMENT FOR RE-**
11 **SEARCH AND EXTENSION ACTIVITIES OF 1890**
12 **INSTITUTIONS.**

13 Section 1449(c) of the National Agricultural Re-
14 search, Extension, and Teaching Policy Act of 1977 (7
15 U.S.C. 3222d(c)) is amended in the first sentence by strik-
16 ing “2007” and inserting “2012.”.

17 **SEC. 7022. HISPANIC-SERVING INSTITUTIONS.**

18 Section 1455 of the National Agricultural Research,
19 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
20 3241) is amended—

21 (1) in subsection (a) by striking “(or grants
22 without regard to any requirement for competi-
23 tion)”;
24 (2) in subsection (b)—

1 (A) in paragraph (1), by striking “of con-
2 sortia”;

3 (B) in paragraph (3), by striking “, begin-
4 ning with the mentoring of students” and all
5 that follows through “doctoral degree”; and

6 (C) in paragraph (4)—

7 (i) by striking “2 or more”; and

8 (ii) by striking “, or between His-
9 panic-serving” and all that follows through
10 “the private sector,”; and

11 (3) in subsection (c)—

12 (A) by striking “\$20,000,000” and insert-
13 ing “\$40,000,000”; and

14 (B) by striking “2007” and inserting
15 “2012”.

16 **SEC. 7023. HISPANIC-SERVING AGRICULTURAL COLLEGES**
17 **AND UNIVERSITIES.**

18 (a) IN GENERAL.—The National Agricultural Re-
19 search, Extension and Teaching Policy Act of 1977 is
20 amended by inserting after section 1455 (7 U.S.C. 3241)
21 the following:

22 **“SEC. 1456. HISPANIC-SERVING AGRICULTURAL COLLEGES**
23 **AND UNIVERSITIES.**

24 “(a) DEFINITION OF ENDOWMENT FUND.—In this
25 section, the term ‘endowment fund’ means the Hispanic-

1 Serving Agricultural Colleges and Universities Fund es-
2 tablished under subsection (b).

3 “(b) ENDOWMENT.—

4 “(1) IN GENERAL.—The Secretary of the
5 Treasury shall establish in accordance with this sub-
6 section a Hispanic-Serving Agricultural Colleges and
7 Universities Fund.

8 “(2) AGREEMENTS.—The Secretary of the
9 Treasury may enter into such agreements as are
10 necessary to carry out this subsection.

11 “(3) DEPOSIT TO THE ENDOWMENT FUND.—
12 The Secretary of the Treasury shall deposit in the
13 endowment fund any—

14 “(A) amounts made available through Acts
15 of appropriations, which shall be the endow-
16 ment fund corpus; and

17 “(B) interest earned on the endowment
18 fund corpus.

19 “(4) INVESTMENTS.—The Secretary of the
20 Treasury shall invest the endowment fund corpus
21 and income in interest-bearing obligations of the
22 United States.

23 “(5) WITHDRAWALS AND EXPENDITURES.—

1 “(A) CORPUS.—The Secretary of the
2 Treasury may not make a withdrawal or ex-
3 penditure from the endowment fund corpus.

4 “(B) WITHDRAWALS.—On September 30,
5 2008, and each September 30 thereafter, the
6 Secretary of the Treasury shall withdraw the
7 amount of the income from the endowment
8 fund for the fiscal year and warrant the funds
9 to the Secretary of Agriculture who, after mak-
10 ing adjustments for the cost of administering
11 the endowment fund, shall distribute the ad-
12 justed income as follows:

13 “(i) 60 percent shall be distributed
14 among the Hispanic-serving agricultural
15 colleges and universities on a pro rata
16 basis based on the Hispanic enrollment
17 count of each institution.

18 “(ii) 40 percent shall be distributed in
19 equal shares to the Hispanic-serving agri-
20 cultural colleges and universities.

21 “(6) ENDOWMENTS.—Amounts made available
22 under this subsection shall be held and considered to
23 be granted to Hispanic-serving agricultural colleges
24 and universities to establish an endowment in ac-
25 cordance with this subsection.

1 “(7) AUTHORIZATION OF APPROPRIATIONS.—

2 There are authorized to be appropriated to the Sec-
3 retary such sums as are necessary to carry out this
4 subsection for fiscal year 2008 and each fiscal year
5 thereafter.

6 “(c) AUTHORIZATION FOR ANNUAL PAYMENTS.—

7 “(1) IN GENERAL.—For fiscal year 2008 and
8 each fiscal year thereafter, there are authorized to
9 be appropriated to the Department of Agriculture to
10 carry out this subsection an amount equal to the
11 product obtained by multiplying—

12 “(A) \$80,000; by

13 “(B) the number of Hispanic-serving agri-
14 cultural colleges and universities.

15 “(2) PAYMENTS.—For fiscal year 2008 and
16 each fiscal year thereafter, the Secretary of the
17 Treasury shall pay to the treasurer of each His-
18 panic-Serving agricultural college and university an
19 amount equal to—

20 “(A) the total amount made available by
21 appropriations under subparagraph (A); divided
22 by

23 “(B) the number of Hispanic-serving agri-
24 cultural colleges and universities.

25 “(3) USE OF FUNDS.—

1 “(A) IN GENERAL.—Amounts authorized
2 to be appropriated under this subsection shall
3 be used in the same manner as is prescribed for
4 colleges under the Act of August 30, 1890
5 (commonly known as the ‘Second Morrill Act’)
6 (7 U.S.C. 321 et seq.).

7 “(B) RELATIONSHIP TO OTHER LAW.—Ex-
8 cept as otherwise provided in this subsection,
9 the requirements of that Act shall apply to His-
10 panic-serving agricultural colleges and univer-
11 sities under this section.

12 “(d) INSTITUTIONAL CAPACITY-BUILDING
13 GRANTS.—

14 “(1) IN GENERAL.—For fiscal year 2008 and
15 each fiscal year thereafter, the Secretary shall make
16 grants to assist Hispanic-serving agricultural col-
17 leges and universities in institutional capacity build-
18 ing (not including alteration, repair, renovation, or
19 construction of buildings).

20 “(2) CRITERIA FOR INSTITUTIONAL CAPACITY-
21 BUILDING GRANTS.—

22 “(A) REQUIREMENTS FOR GRANTS.—The
23 Secretary shall make grants under this sub-
24 section on the basis of a competitive application
25 process under which Hispanic-serving agricul-

1 tural colleges and universities may submit ap-
2 plications to the Secretary at such time, in such
3 manner, and containing such information as the
4 Secretary may require.

5 “(B) DEMONSTRATION OF NEED.—

6 “(i) IN GENERAL.—As part of an ap-
7 plication for a grant under this subsection,
8 the Secretary shall require the applicant to
9 demonstrate need for the grant, as deter-
10 mined by the Secretary.

11 “(ii) OTHER SOURCES OF FUNDING.—

12 The Secretary may award a grant under
13 this subsection only to an applicant that
14 demonstrates a failure to obtain funding
15 for a project after making a reasonable ef-
16 fort to otherwise obtain the funding.

17 “(C) PAYMENT OF NON-FEDERAL

18 SHARE.—A grant awarded under this sub-
19 section shall be made only if the recipient of the
20 grant pays a non-Federal share in an amount
21 that is specified by the Secretary and based on
22 assessed institutional needs.

23 “(3) AUTHORIZATION OF APPROPRIATIONS.—

24 There are authorized to be appropriated to the Sec-
25 retary such sums as are necessary to carry out this

1 subsection for fiscal year 2008 and each fiscal year
2 thereafter.

3 “(e) COMPETITIVE GRANTS PROGRAM.—

4 “(1) IN GENERAL.—The Secretary shall estab-
5 lish a competitive grants program to fund funda-
6 mental and applied research at Hispanic-serving ag-
7 ricultural colleges and universities in agriculture,
8 human nutrition, food science, bioenergy, and envi-
9 ronmental science.

10 “(2) AUTHORIZATION OF APPROPRIATIONS.—

11 There are authorized to be appropriated to the Sec-
12 retary such sums as are necessary to carry out this
13 subsection for fiscal year 2008 and each fiscal year
14 thereafter.”.

15 (b) EXTENSION.—Section 3 of the Smith-Lever Act
16 (7 U.S.C. 343) is amended—

17 (1) in subsection (b), by adding at the end the
18 following:

19 “(4) ANNUAL APPROPRIATION FOR HISPANIC-
20 SERVING AGRICULTURAL COLLEGES AND UNIVER-
21 SITIES.—

22 “(A) AUTHORIZATION OF APPROPRIA-
23 TIONS.—There are authorized to be appro-
24 priated to the Secretary such sums as are nec-

1 essary to carry out this paragraph for fiscal
2 year 2008 and each fiscal year thereafter.

3 “(B) ADDITIONAL AMOUNT.—Amounts
4 made available under this paragraph shall be in
5 addition to any other amounts made available
6 under this section to States, the Commonwealth
7 of Puerto Rico, or any other territory or posses-
8 sion of the United States.

9 “(C) ADMINISTRATION.—Amounts made
10 available under this paragraph shall be—

11 “(i) distributed on the basis of a com-
12 petitive application process to be developed
13 and implemented by the Secretary and
14 paid by the Secretary to the State institu-
15 tions established in accordance with the
16 Act of July 2, 1862 (commonly known as
17 the ‘First Morrill Act’) (7 U.S.C. 301 et
18 seq.); and

19 “(ii) administered by State institu-
20 tions through cooperative agreements with
21 the Hispanic-serving agricultural colleges
22 and universities (as defined in section
23 1456 of the National Agricultural Re-
24 search, Extension and Teaching Policy Act
25 of 1977) in the State in accordance with

1 regulations promulgated by the Sec-
2 retary.”; and

3 (2) in subsection (f)—

4 (A) in the subsection heading, by inserting
5 “AND HISPANIC-SERVING AGRICULTURAL COL-
6 LEGES AND UNIVERSITIES” after “1994 INSTI-
7 TUTIONS”; and

8 (B) by striking “pursuant to subsection
9 (b)(3)” and inserting “or Hispanic-serving agri-
10 cultural colleges and universities in accordance
11 with paragraphs (3) and (4) of subsection (b)”.

12 **SEC. 7024. INTERNATIONAL AGRICULTURAL RESEARCH, EX-**
13 **TENSION, AND EDUCATION.**

14 Section 1458(a) of the National Agricultural Re-
15 search, Extension, and Teaching Policy Act of 1977 (7
16 U.S.C. 3291(a)) is amended—

17 (1) in paragraph (1)—

18 (A) in subparagraph (A), by striking
19 “and” after the semicolon;

20 (B) in subparagraph (B), by adding “and”
21 at the end; and

22 (C) by adding at the end the following:

23 “(C) giving priority to those institutions
24 with existing memoranda of understanding,
25 agreements, or other formal ties to United

1 States institutions, or Federal or State agen-
2 cies;”;

3 (2) in paragraph (3), by inserting “Hispanic-
4 serving agricultural colleges and universities,” after
5 “universities,”;

6 (3) in paragraph (7)(A), by striking “and land-
7 grant colleges and universities” and inserting “,
8 land-grant colleges and universities, and Hispanic-
9 serving agricultural colleges and universities”;

10 (4) in paragraph (9)—

11 (A) in subparagraph (A), by striking “or
12 other colleges and universities” and inserting “,
13 Hispanic-serving agricultural colleges and uni-
14 versities, or other colleges and universities”;
15 and

16 (B) in subparagraph (D), by striking
17 “and” at the end;

18 (5) in paragraph (10), by striking the period at
19 the end and inserting “; and”; and

20 (6) by adding at the end the following:

21 “(11) establish a program for the purpose of
22 providing fellowships to United States or foreign
23 students to study at foreign agricultural colleges and
24 universities working under agreements provided for
25 under paragraph (3).”.

1 **SEC. 7025. COMPETITIVE GRANTS FOR INTERNATIONAL AG-**
2 **RICULTURAL SCIENCE AND EDUCATION PRO-**
3 **GRAMS.**

4 Section 1459A(c) of the National Agricultural Re-
5 search, Extension, and Teaching Policy Act of 1977 (7
6 U.S.C. 3292b(c)) is amended by striking “2007” and in-
7 serting “2012”.

8 **SEC. 7026. INDIRECT COSTS.**

9 Section 1462(a) of the National Agricultural Re-
10 search, Extension, and Teaching Policy Act of 1977 (7
11 U.S.C. 3310(a)) is amended by striking “shall not exceed
12 19 percent” and inserting “shall be the negotiated indirect
13 rate of cost established for an institution by the appro-
14 priate Federal audit agency for the institution, not to ex-
15 ceed 30 percent”.

16 **SEC. 7027. RESEARCH EQUIPMENT GRANTS.**

17 Section 1462A(e) of the National Agricultural Re-
18 search, Extension, and Teaching Policy Act of 1977 (7
19 U.S.C. 3310a(e)) is amended by striking “2007” and in-
20 serting “2012”.

21 **SEC. 7028. UNIVERSITY RESEARCH.**

22 Section 1463 of the National Agricultural Research,
23 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
24 3311) is amended by striking “2007” each place it ap-
25 pears in subsections (a) and (b) and inserting “2012”.

1 **SEC. 7029. EXTENSION SERVICE.**

2 Section 1464 of the National Agricultural Research,
3 Extension, and Teaching Policy Act of 1977 (7 U.S.C.
4 3312) is amended by striking “2007” and inserting
5 “2012”.

6 **SEC. 7030. SUPPLEMENTAL AND ALTERNATIVE CROPS.**

7 Section 1473D(a) of the National Agricultural Re-
8 search, Extension, and Teaching Policy Act of 1977 (7
9 U.S.C. 3319d(a)) is amended by striking “2007” and in-
10 serting “2012”.

11 **SEC. 7031. AQUACULTURE RESEARCH FACILITIES.**

12 (a) FISH DISEASE PROGRAM.—Section 1475(f) of
13 the National Agricultural Research, Extension, and
14 Teaching Policy Act of 1977 (7 U.S.C. 3322(f)) is amend-
15 ed—

16 (1) by striking “The Secretary” and inserting
17 the following:

18 “(1) IN GENERAL.—The Secretary”; and

19 (2) by adding at the end the following:

20 “(2) VIRAL HEMORRHAGIC SEPTICEMIA.—

21 “(A) IN GENERAL.—The study of viral
22 hemorrhagic septicemia (referred to in this
23 paragraph as ‘VHS’) and VHS management
24 shall be considered an area of priority research
25 under this subsection.

26 “(B) CONSULTATION.—

1 “(i) IN GENERAL.—The Secretary
2 shall consult with appropriate directors of
3 State natural resource management and
4 agriculture agencies in areas that are VHS
5 positive as of the date of enactment of this
6 paragraph to develop and implement a
7 comprehensive set of priorities for man-
8 aging VHS, including providing funds for
9 research into the spread and control of the
10 disease, surveillance, monitoring, risk eval-
11 uation, enforcement, screening, education
12 and outreach, and management.

13 “(ii) CONSIDERATION.—The Secretary
14 shall provide special consideration to the
15 recommendations of the directors described
16 in clause (i) in the development of the
17 VHS priorities.”.

18 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
19 1477 of the National Agricultural Research, Extension,
20 and Teaching Policy Act of 1977 (7 U.S.C. 3324) is
21 amended by striking “2007” and inserting “2012”.

22 **SEC. 7032. RANGELAND RESEARCH.**

23 (a) GRANTS.—Section 1480(a) of the National Agri-
24 cultural Research, Extension, and Teaching Policy Act of
25 1977 (7 U.S.C. 3333(a)) is amended—

1 (1) in paragraph (1), by striking “; and” and
2 inserting a semicolon;

3 (2) in paragraph (2), by striking the period at
4 the end and inserting “; and”; and

5 (3) by adding at the end the following:

6 “(3) pilot programs to coordinate and conduct
7 collaborative projects to address natural resources
8 management issues and facilitate the collection of in-
9 formation and analysis to provide Federal and State
10 agencies, private landowners, and the public with in-
11 formation to allow for improved management of pub-
12 lic and private rangeland.”.

13 (b) MATCHING REQUIREMENTS.—Section 1480(b)(2)
14 of the National Agricultural Research, Extension, and
15 Teaching Policy Act of 1977 (7 U.S.C. 3333(b)(2)) is
16 amended by striking “subsection (a)(2)” and inserting
17 “paragraph (2) or (3) of subsection (a)”.

18 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
19 1483(a) of the National Agricultural Research, Extension,
20 and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is
21 amended by striking “2007” and inserting “2012”.

22 **SEC. 7033. SPECIAL AUTHORIZATION FOR BIOSECURITY**
23 **PLANNING AND RESPONSE.**

24 Section 1484(a) of the National Agricultural Re-
25 search, Extension, and Teaching Policy Act of 1977 (7

1 U.S.C. 3351(a)) is amended by striking “2007” and in-
2 serting “2012”.

3 **SEC. 7034. RESIDENT INSTRUCTION AND DISTANCE EDU-**
4 **CATION GRANTS PROGRAM FOR INSULAR**
5 **AREA INSTITUTIONS OF HIGHER EDUCATION.**

6 (a) DISTANCE EDUCATION GRANTS FOR INSULAR
7 AREAS.—Section 1490(f) of the National Agricultural Re-
8 search, Extension, and Teaching Policy Act of 1977 (7
9 U.S.C. 3362(f)) is amended by striking “2007” and in-
10 serting “2012”.

11 (b) RESIDENT INSTRUCTION GRANTS FOR INSULAR
12 AREAS.—Section 1491 of the National Agricultural Re-
13 search, Extension, and Teaching Policy Act of 1977 (7
14 U.S.C. 3363) is amended—

15 (1) by redesignating subsection (e) as sub-
16 section (c); and

17 (2) in subsection (c) (as so redesignated), by
18 striking “2007” and inserting “2012”.

19 **SEC. 7035. FARM MANAGEMENT TRAINING AND PUBLIC**
20 **FARM BENCHMARKING DATABASE.**

21 Subtitle K of the National Agricultural Research, Ex-
22 tension, and Teaching Policy Act of 1977 is amended by
23 inserting after section 1467 (7 U.S.C. 3313) the following:

1 **“SEC. 1468. FARM MANAGEMENT TRAINING AND PUBLIC**
2 **FARM BENCHMARKING DATABASE.**

3 “(a) DEFINITIONS.—In this section:

4 “(1) BENCHMARK, BENCHMARKING.—The term
5 ‘benchmark’ or ‘benchmarking’ means the process of
6 comparing the performance of an agricultural enter-
7 prise against the performance of other similar enter-
8 prises, through the use of comparable and reliable
9 data, in order to identify business management
10 strengths, weaknesses, and steps necessary to im-
11 prove management performance and business profit-
12 ability.

13 “(2) FARM MANAGEMENT ASSOCIATION.—The
14 term ‘farm management association’ means a public
15 or nonprofit organization or educational program—

16 “(A) the purpose of which is to assist
17 farmers, ranchers, and other agricultural opera-
18 tors to improve financial management and busi-
19 ness profitability by providing training on farm
20 financial planning and analysis, record keeping,
21 and other farm management topics; and

22 “(B) that is affiliated with a land-grant
23 college or university, other institution of higher
24 education, or nonprofit entity.

25 “(3) NATIONAL FARM MANAGEMENT CEN-
26 TER.—The term ‘National Farm Management Cen-

1 ter’ means a land-grant college or university that, as
2 determined by the Secretary—

3 “(A) has collaborative partnerships with
4 more than 5 farm management associations
5 that are representative of agricultural diversity
6 in multiple regions of the United States;

7 “(B) has maintained and continues to
8 maintain farm financial analysis software appli-
9 cable to the production and management of a
10 wide range of crop and livestock agricultural
11 commodities (including some organic commod-
12 ities);

13 “(C) has established procedures that en-
14 able producers—

15 “(i) to benchmark the farms of the
16 producers against peer groups; and

17 “(ii) to query the benchmarking data-
18 base by location, farm type, farm size, and
19 commodity at the overall business and indi-
20 vidual enterprise levels; and

21 “(D) has provided and continues to provide
22 public online access to farm and ranch financial
23 benchmarking databases.

24 “(b) ESTABLISHMENT.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish a National Farm Management Center to im-
3 prove the farm management knowledge and skills of
4 individuals directly involved in production agri-
5 culture through—

6 “(A) participation in a farm management
7 education and training program; and

8 “(B) direct access to a public farm
9 benchmarking database.

10 “(2) PROPOSALS.—The Secretary shall request
11 proposals from appropriate land-grant colleges and
12 universities for the establishment of a National
13 Farm Management Center in accordance with this
14 section.

15 “(3) REQUIREMENTS.—The National Farm
16 Management Center established under paragraph (1)
17 shall—

18 “(A) coordinate standardized financial
19 analysis methodologies for use by farmers,
20 ranchers, other agricultural operators, and farm
21 management associations;

22 “(B) provide the software tools necessary
23 for farm management associations, farmers,
24 ranchers, and other agricultural operators to
25 perform the necessary financial analyses, in-

1 cluding the benchmarking of individual enter-
2 prises; and

3 “(C) develop and maintain a national farm
4 financial database to facilitate those financial
5 analyses and benchmarking that is available on-
6 line to farmers, ranchers, other agricultural op-
7 erators, farm management associations, and the
8 public.

9 “(c) ADMINISTRATIVE EXPENSES.—Not more than 8
10 percent of the funds made available to carry out this sec-
11 tion may be used for the payment of administrative ex-
12 penses of the Department of Agriculture in carrying out
13 this section.

14 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
15 are authorized to be appropriated such sums as are nec-
16 essary to carry out this section.”.

17 **SEC. 7036. TROPICAL AND SUBTROPICAL AGRICULTURAL**
18 **RESEARCH.**

19 Subtitle K of the National Agricultural Research, Ex-
20 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
21 et seq.) is amended by adding at the end the following:

1 **“SEC. 1473E. TROPICAL AND SUBTROPICAL AGRICULTURAL**
2 **RESEARCH.**

3 “(a) DEFINITION OF CARIBBEAN AND PACIFIC BA-
4 SINS.—In this section, the term ‘Caribbean and Pacific
5 basins’, means—

6 “(1) the States of Florida and Hawaii;

7 “(2) the Commonwealth of Puerto Rico;

8 “(3) the United States Virgin Islands;

9 “(4) Guam;

10 “(5) American Samoa;

11 “(6) the Commonwealth of the Northern Mar-
12 iana Islands;

13 “(7) the Federated States of Micronesia;

14 “(8) the Republic of the Marshall Islands; and

15 “(9) the Republic of Palau.

16 “(b) ESTABLISHMENT.—The Secretary shall estab-
17 lish a program, to be known as the ‘Tropical and Sub-
18 tropical Agricultural Research Program’, to sustain the
19 agriculture and environment of the Caribbean and Pacific
20 basins, by supporting the full range of research relating
21 to food and agricultural sciences in the Caribbean and Pa-
22 cific basins, with an emphasis on—

23 “(1) pest management;

24 “(2) deterring introduction and establishment
25 of invasive species;

1 “(3) enhancing existing and developing new
2 tropical and subtropical agricultural products; and

3 “(4) expanding value-added agriculture in trop-
4 ical and subtropical ecosystems.

5 “(c) GRANTS.—

6 “(1) IN GENERAL.—In carrying out this sec-
7 tion, the Secretary shall provide grants to be award-
8 ed competitively to support tropical and subtropical
9 agricultural research in the Caribbean and Pacific
10 basins.

11 “(2) ELIGIBLE ENTITIES.—To be eligible to re-
12 ceive a grant, an entity shall be a land-grant college
13 or university, or affiliated with a land-grant college
14 or university, that is located in any region of the
15 Caribbean and Pacific basin.

16 “(3) REQUIREMENTS.—

17 “(A) EQUAL AMOUNTS.—The total amount
18 of grants provided under this subsection shall
19 be equally divided between the Caribbean and
20 Pacific basins, as determined by the Secretary.

21 “(B) RESEARCH INFRASTRUCTURE AND
22 CAPABILITY PRIORITY.—In providing grants
23 under this subsection, the Secretary shall give
24 priority to projects of eligible entities that—

1 “(i) expand the infrastructure and ca-
2 pability of the region of the eligible entity;

3 “(ii) scientifically and culturally ad-
4 dress regional agricultural and environ-
5 mental challenges; and

6 “(iii) sustain agriculture in the region
7 of the eligible entity.

8 “(C) TERM.—The term of a grant pro-
9 vided under this subsection shall not exceed 5
10 years.

11 “(D) PROHIBITIONS.—A grant provided
12 under this subsection shall not be used for the
13 planning, repair, rehabilitation, acquisition, or
14 construction of any building or facility.

15 “(d) FUNDING.—

16 “(1) SET-ASIDE.—Not less than 25 percent of
17 the funds made available to carry out this section
18 during a fiscal year shall be used to support pro-
19 grams and services that—

20 “(A) address the pest management needs
21 of a region in the Caribbean and Pacific basins;
22 or

23 “(B) minimize the impact to a region in
24 the Caribbean and Pacific basins of invasive
25 species.

1 “(2) ADMINISTRATIVE COSTS.—The Secretary
2 shall use not more than 4 percent of the funds made
3 available under subsection (e) for administrative
4 costs incurred by the Secretary in carrying out this
5 section.

6 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
7 are authorized to be appropriated to the Secretary to carry
8 out this section such sums as are necessary for each of
9 fiscal years 2008 through 2012.”.

10 **SEC. 7037. REGIONAL CENTERS OF EXCELLENCE.**

11 Subtitle K of the National Agricultural Research, Ex-
12 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
13 et seq.) (as amended by section 7036) is amended by add-
14 ing at the end the following:

15 **“SEC. 1473F. REGIONAL CENTERS OF EXCELLENCE.**

16 “(a) PURPOSES.—The purposes of this section are—

17 “(1) to authorize regional centers of excellence
18 for specific agricultural commodities; and

19 “(2) to develop a national, coordinated program
20 of research, teaching, and extension for commodities
21 that will—

22 “(A) be cost effective by reducing duplica-
23 tive efforts regarding research, teaching, and
24 extension;

1 “(B) leverage available resources by using
2 public/private partnerships among industry
3 groups, institutions of higher education, and
4 the Federal Government;

5 “(C) increase the economic returns to agri-
6 cultural commodity industries by identifying,
7 attracting, and directing funds to high-priority
8 industry issues; and

9 “(D) more effectively disseminate industry
10 issue solutions to target audiences through web-
11 based extension information, instructional
12 courses, and educational or training modules.

13 “(b) DEFINITIONS.—In this section:

14 “(1) AGRICULTURAL COMMODITY.—The term
15 ‘agricultural commodity’ has the meaning given the
16 term in section 513 of the Commodity Promotion,
17 Research, and Information Act of 1996 (7 U.S.C.
18 7412).

19 “(2) LAND-GRANT COLLEGES AND UNIVER-
20 SITIES.—The term ‘land-grant colleges and univer-
21 sities’ means—

22 “(A) 1862 Institutions (as defined in sec-
23 tion 2 of the Agricultural Research, Extension,
24 and Education Reform Act of 1998 (7 U.S.C.
25 7601));

1 “(B) 1890 Institutions (as defined in sec-
2 tion 2 of that Act); and

3 “(C) 1994 Institutions (as defined in sec-
4 tion 2 of that Act).

5 “(c) ESTABLISHMENT.—

6 “(1) ORIGINAL COMPOSITION.—The Secretary
7 shall establish regional centers of excellence for spe-
8 cific agricultural commodities that are each com-
9 prised of—

10 “(A) a lead land-grant college or univer-
11 sity; and

12 “(B) 1 or more member land-grant colleges
13 and universities that provide financial support
14 to the regional center of excellence.

15 “(2) BOARD OF DIRECTORS.—Each regional
16 center of excellence shall be administered by a board
17 of directors consisting of 15 members, as determined
18 by the lead and member land-grant colleges and uni-
19 versities of the center.

20 “(3) ADDITIONAL DIRECTORS AND INSTITU-
21 TIONS.—Each board of directors of a regional center
22 of excellence may—

23 “(A) designate additional land-grant col-
24 leges and universities as members of the center;
25 and

1 “(B) designate representatives of the addi-
2 tional land-grant colleges and universities and
3 agriculture industry groups to be additional
4 members of the board of directors.

5 “(d) PROGRAMS.—Each regional center of excellence
6 shall achieve the purposes of this section through—

7 “(1) research initiatives focused on issues per-
8 taining to the specific agricultural commodity;

9 “(2) teaching initiatives at lead and member
10 land-grant colleges and universities to provide inten-
11 sive education relating to the specific agricultural
12 commodity; and

13 “(3) extension initiatives focusing on an inter-
14 net-based information gateway to provide for rel-
15 evant information development, warehousing, and
16 delivery.

17 “(e) FUNDING.—

18 “(1) IN GENERAL.—Each regional center of ex-
19 cellence shall be funded through the use of—

20 “(A) grants made by the Secretary; and

21 “(B) matching funds provided by land-
22 grant colleges and universities and agriculture
23 industry groups.

24 “(2) PROCESS.—The board of directors of each
25 regional center of excellence shall have the responsi-

1 bility for submitting grant proposals to the Sec-
2 retary to carry out the research, education, and ex-
3 tension program activities described in subsection
4 (d).

5 “(3) TERM OF GRANT.—The term of a grant
6 under this subsection may not exceed 5 years.

7 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out this section
9 such sums as are necessary for each of fiscal years 2008
10 through 2012.”.

11 **SEC. 7038. NATIONAL DROUGHT MITIGATION CENTER.**

12 Subtitle K of the National Agricultural Research, Ex-
13 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
14 et seq.) (as amended by section 7037) is amended by add-
15 ing at the end the following:

16 **“SEC. 1473G. NATIONAL DROUGHT MITIGATION CENTER.**

17 “(a) IN GENERAL.—The Secretary shall offer to
18 enter into an agreement with the National Drought Miti-
19 gation Center, under which the Center shall—

20 “(1) continue to produce the United States
21 Drought Monitor;

22 “(2) maintain a clearinghouse and internet por-
23 tal on drought; and

1 “(3) develop new drought mitigation and pre-
2 paredness strategies, responses, models, and meth-
3 odologies for the agricultural community.

4 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
5 is authorized to be appropriated to carry out this section
6 \$5,000,000 for each fiscal year.”.

7 **SEC. 7039. AGRICULTURAL DEVELOPMENT IN THE AMER-**
8 **ICAN-PACIFIC REGION.**

9 Subtitle K of the National Agricultural Research, Ex-
10 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
11 et seq.) (as amended by section 7038) is amended by add-
12 ing at the end the following:

13 **“SEC. 1473H. AGRICULTURAL DEVELOPMENT IN THE AMER-**
14 **ICAN-PACIFIC REGION.**

15 “(a) DEFINITIONS.—In this section:

16 “(1) AMERICAN-PACIFIC REGION.—The term
17 ‘American-Pacific region’ means the region encom-
18 passing—

19 “(A) American Samoa;

20 “(B) Guam;

21 “(C) the Commonwealth of the Northern
22 Mariana Islands;

23 “(D) the Federated States of Micronesia;

24 “(E) the Republic of the Marshall Islands;

25 “(F) the Republic of Palau;

1 “(G) the State of Hawaii; and

2 “(H) the State of Alaska.

3 “(2) CONSORTIUM.—The term ‘consortium’
4 means a collaborative group that—

5 “(A) is composed of each eligible institu-
6 tion; and

7 “(B) submits to the Secretary an applica-
8 tion for a grant under subsection (b)(2).

9 “(3) ELIGIBLE INSTITUTION.—The term ‘eligi-
10 ble institution’ means a land-grant college or univer-
11 sity that is located in the American-Pacific region.

12 “(b) AGRICULTURAL DEVELOPMENT IN THE AMER-
13 ICAN PACIFIC GRANTS.—

14 “(1) IN GENERAL.—The Secretary may make
15 grants to a consortium of eligible institutions to
16 carry out integrated research, extension, and in-
17 struction programs in support of food and agricul-
18 tural sciences.

19 “(2) APPLICATION.—To receive a grant under
20 paragraph (1), a consortium of eligible institutions
21 shall submit to the Secretary an application that in-
22 cludes—

23 “(A) for each eligible institution, a descrip-
24 tion of each objective, procedure, and proposed
25 use of funds relating to any funds provided by

1 the Secretary to the consortium under para-
2 graph (1); and

3 “(B) the method of allocation proposed by
4 the consortium to distribute to each eligible in-
5 stitution any funds provided by the Secretary to
6 the consortium under paragraph (1).

7 “(3) USE OF FUNDS.—

8 “(A) IN GENERAL.—An eligible institution
9 that receives funds through a grant under para-
10 graph (1) shall use the funds—

11 “(i) to acquire the equipment, instru-
12 mentation, networking capability, hardware
13 and software, digital network technology,
14 and infrastructure required to integrate re-
15 search, extension, and instruction pro-
16 grams in the American-Pacific region;

17 “(ii) to develop and provide support
18 for conducting research, extension, and in-
19 struction programs in support of food and
20 agricultural sciences relevant to the Amer-
21 ican-Pacific region, with special emphasis
22 on—

23 “(I) the management of pests;
24 and

1 “(II) the control of the spread of
2 invasive alien species; and

3 “(iii) to provide leadership develop-
4 ment to administrators, faculty, and staff
5 of the eligible institution with responsibility
6 for programs relating to agricultural re-
7 search, extension, and instruction.

8 “(B) PROHIBITED USES.—An eligible insti-
9 tution that receives funds through a grant
10 under paragraph (1) may not use the funds for
11 any cost relating to the planning, acquisition,
12 construction, rehabilitation, or repair of any
13 building or facility of the eligible institution.

14 “(4) GRANT TERM.—A grant under paragraph
15 (1) shall have a term of not more than 5 years.

16 “(5) ADMINISTRATION.—

17 “(A) AUTHORITY OF SECRETARY.—The
18 Secretary may carry out this section in a man-
19 ner that recognizes the different needs of, and
20 opportunities for, each eligible institution.

21 “(B) ADMINISTRATIVE COSTS.—The Sec-
22 retary shall use not more than 4 percent of the
23 amount appropriated under subsection (d) for a
24 fiscal year to pay administrative costs incurred
25 in carrying out this section.

1 “(c) NO EFFECT ON DISTRIBUTION OF FUNDS.—
2 Nothing in this section affects any basis for distribution
3 of funds by a formula in existence on the date of enact-
4 ment of this section relating to—

5 “(1) the Federated States of Micronesia;

6 “(2) the Republic of the Marshall Islands; or

7 “(3) the Republic of Palau.

8 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated such sums as are nec-
10 essary to carry out this section for each of fiscal years
11 2008 through 2012.”.

12 **SEC. 7040. BORLAUG INTERNATIONAL AGRICULTURAL**
13 **SCIENCE AND TECHNOLOGY FELLOWSHIP**
14 **PROGRAM.**

15 Subtitle K of the National Agricultural Research, Ex-
16 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
17 et seq.) (as amended by section 7039) is amended by add-
18 ing at the end the following:

19 **“SEC. 1473I. BORLAUG INTERNATIONAL AGRICULTURAL**
20 **SCIENCE AND TECHNOLOGY FELLOWSHIP**
21 **PROGRAM.**

22 “(a) FELLOWSHIP PROGRAM.—

23 “(1) IN GENERAL.—The Secretary shall estab-
24 lish a fellowship program, to be known as the
25 ‘Borlaug International Agricultural Science and

1 Technology Fellowship Program,’ to provide fellow-
2 ships for scientific training and study in the United
3 States to individuals from eligible countries (as de-
4 scribed in subsection (b)) who specialize in agricul-
5 tural education, research, and extension.

6 “(2) PROGRAMS.—The Secretary shall carry
7 out the fellowship program by implementing 3 pro-
8 grams designed to assist individual fellowship recipi-
9 ents, including—

10 “(A) a graduate studies program in agri-
11 culture to assist individuals who participate in
12 graduate agricultural degree training at a
13 United States institution;

14 “(B) an individual career improvement
15 program to assist agricultural scientists from
16 developing countries in upgrading skills and un-
17 derstanding in agricultural science and tech-
18 nology; and

19 “(C) a Borlaug agricultural policy execu-
20 tive leadership course to assist senior agricul-
21 tural policy makers from eligible countries, with
22 an initial focus on individuals from sub-Saharan
23 Africa and the newly independent states of the
24 former Soviet Union.

1 “(b) ELIGIBLE COUNTRIES.—An eligible country is
2 a developing country, as determined by the Secretary
3 using a gross national income per capita test selected by
4 the Secretary.

5 “(c) PURPOSE OF FELLOWSHIPS.—A fellowship pro-
6 vided under this section shall—

7 “(1) promote food security and economic
8 growth in eligible countries by—

9 “(A) educating a new generation of agri-
10 cultural scientists;

11 “(B) increasing scientific knowledge and
12 collaborative research to improve agricultural
13 productivity; and

14 “(C) extending that knowledge to users
15 and intermediaries in the marketplace; and

16 “(2) shall support—

17 “(A) training and collaborative research
18 opportunities through exchanges for entry level
19 international agricultural research scientists,
20 faculty, and policymakers from eligible coun-
21 tries;

22 “(B) collaborative research to improve ag-
23 ricultural productivity;

1 “(C) the transfer of new science and agri-
2 cultural technologies to strengthen agricultural
3 practice; and

4 “(D) the reduction of barriers to tech-
5 nology adoption.

6 “(d) FELLOWSHIP RECIPIENTS.—

7 “(1) ELIGIBLE CANDIDATES.—The Secretary
8 may provide fellowships under this section to individ-
9 uals from eligible countries who specialize in or have
10 experience in agricultural education, research, exten-
11 sion, or related fields, including—

12 “(A) individuals from the public and pri-
13 vate sectors; and

14 “(B) private agricultural producers.

15 “(2) CANDIDATE IDENTIFICATION.—The Sec-
16 retary shall use the expertise of United States land
17 grant colleges and universities and similar univer-
18 sities, international organizations working in agricul-
19 tural research and outreach, and national agricul-
20 tural research organizations to help identify program
21 candidates for fellowships under this section from
22 the public and private sectors of eligible countries.

23 “(e) USE OF FELLOWSHIPS.—A fellowship provided
24 under this section shall be used—

1 “(1) to promote collaborative programs among
2 agricultural professionals of eligible countries, agri-
3 cultural professionals of the United States, the inter-
4 national agricultural research system, and, as appro-
5 priate, United States entities conducting research;
6 and

7 “(2) to support fellowship recipients through
8 programs described in subsection (a)(2).

9 “(f) PROGRAM IMPLEMENTATION.—The Secretary
10 shall provide for the management, coordination, evalua-
11 tion, and monitoring of the overall Borlaug International
12 Agricultural Science and Technology Fellowship Program
13 and for the individual programs described in subsection
14 (a)(2), except that the Secretary may contract out to 1
15 or more collaborating universities the management of 1
16 or more of the fellowship programs.

17 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated such sums as are nec-
19 essary to carry out this section, to remain available until
20 expended.”.

21 **SEC. 7041. NEW ERA RURAL TECHNOLOGY PROGRAM.**

22 Subtitle K of the National Agricultural Research, Ex-
23 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
24 et seq.) (as amended by section 7040) is amended by add-
25 ing at the end the following:

1 **“SEC. 1473J. NEW ERA RURAL TECHNOLOGY PROGRAM.**

2 “(a) DEFINITION OF RURAL COMMUNITY COL-
3 LEGE.—In this section, the term ‘rural community college’
4 means an institution of higher education that—

5 “(1) admits as regular students individuals
6 who—

7 “(A) are beyond the age of compulsory
8 school attendance in the State in which the in-
9 stitution is located; and

10 “(B) have the ability to benefit from the
11 training offered by the institution, in accord-
12 ance with criteria established by the Secretary;

13 “(2) does not provide an educational program
14 for which it awards a bachelor’s degree or an equiva-
15 lent degree;

16 “(3)(A) provides an educational program of not
17 less than 2 years that is acceptable for full credit to-
18 ward such a degree; or

19 “(B) offers a 2-year program in engineering,
20 technology, mathematics, or the physical, chemical
21 or biological sciences that is designed to prepare a
22 student to work as a technician or at the
23 semiprofessional level in engineering, scientific, or
24 other technological fields requiring the under-
25 standing and application of basic engineering, sci-
26 entific, or mathematical principles of knowledge; and

1 “(4) is located in a rural area (as defined in
2 section 343(a) of the Consolidated Farm and Rural
3 Development Act (7 U.S.C. 1991(a)).

4 “(b) PROGRAM.—

5 “(1) IN GENERAL.—The Secretary shall estab-
6 lish a program, to be known as the ‘New Era Rural
7 Technology Program’, under which the Secretary
8 shall make grants available for technology develop-
9 ment, applied research, and training to aid in the
10 development of an agriculture-based renewable en-
11 ergy workforce.

12 “(2) FIELDS.—In making grants under the
13 program, the Secretary shall support the fields of—

14 “(A) bioenergy;

15 “(B) pulp and paper manufacturing; and

16 “(C) agriculture-based renewable energy
17 resources.

18 “(c) ELIGIBILITY.—To be eligible to receive a grant
19 under this section, an entity shall—

20 “(1) be a rural community college or advanced
21 technological center (as determined by the Sec-
22 retary), in existence on the date of the enactment of
23 this section, that participates in agricultural or bio-
24 energy research and applied research;

1 “(2) have a proven record of development and
2 implementation of programs to meet the needs of
3 students, educators, business, and industry to supply
4 the agriculture-based, renewable energy, or pulp and
5 paper manufacturing fields with certified techni-
6 cians, as determined by the Secretary; and

7 “(3) have the ability to leverage existing part-
8 nerships and occupational outreach and training
9 programs for secondary schools, 4-year institutions,
10 and relevant nonprofit organizations.

11 “(d) GRANT PRIORITY.—In making grants under this
12 section, the Secretary shall give preference to rural com-
13 munity colleges working in partnership—

14 “(1) to improve information sharing capacity;
15 and

16 “(2) to maximize the ability of eligible recipi-
17 ents to meet the purposes of this section.

18 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated such sums as are nec-
20 essary to carry out this section for each of fiscal years
21 2008 through 2012.”.

22 **SEC. 7042. FARM AND RANCH STRESS ASSISTANCE NET-**
23 **WORK.**

24 Subtitle K of the National Agricultural Research, Ex-
25 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310

1 et seq.) (as amended by section 7041) is amended by add-
2 ing at the end the following:

3 **“SEC. 1473K. FARM AND RANCH STRESS ASSISTANCE NET-**
4 **WORK.**

5 “(a) IN GENERAL.—The Secretary, in cooperation
6 with the Secretary of Health and Human Services, shall
7 establish a network, to be known as the ‘Farm and Ranch
8 Stress Assistance Network’ (referred to in this section as
9 the ‘Network’).

10 “(b) PURPOSE.—The purpose the network shall be
11 to provide behavioral health programs to participants in
12 the agricultural sector in the United States.

13 “(c) GRANTS.—The Secretary, in collaboration with
14 the extension service at the National Institute of Food and
15 Agriculture, shall provide grants on a competitive basis to
16 States and nonprofit organizations for use in carrying out
17 pilot projects to achieve the purpose of the Network.

18 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated such sums as are nec-
20 essary to carry out this section for each of fiscal years
21 2008 through 2012.”.

22 **SEC. 7043. RURAL ENTREPRENEURSHIP AND ENTERPRISE**
23 **FACILITATION PROGRAM.**

24 Subtitle K of the National Agricultural Research, Ex-
25 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310

1 et seq.) (as amended by section 7042) is amended by add-
2 ing at the end the following:

3 **“SEC. 1473L. RURAL ENTREPRENEURSHIP AND ENTER-**
4 **PRISE FACILITATION PROGRAM.**

5 “(a) DEFINITION OF REGIONAL RURAL DEVELOP-
6 MENT CENTER.—In this section, the term ‘regional rural
7 development center’ means—

8 “(1) the North Central Regional Center for
9 Rural Development (or a designee);

10 “(2) the Northeast Regional Center for Rural
11 Development (or a designee);

12 “(3) the Southern Rural Development Center
13 (or a designee); and

14 “(4) the Western Rural Development Center (or
15 a designee).

16 “(b) PROJECTS.—The Secretary shall carry out re-
17 search, extension, and education projects to obtain data,
18 convey knowledge, and develop skills through projects
19 that—

20 “(1) transfer practical, reliable, and timely in-
21 formation to rural entrepreneurs and rural entrepre-
22 neurial development organizations concerning busi-
23 ness management, business planning, microenter-
24 prise, marketing, entrepreneurial education and
25 training, and the development of local and regional

1 entrepreneurial systems in rural areas and rural
2 communities;

3 “(2) provide education, training, and technical
4 assistance to newly-operational and growing rural
5 businesses;

6 “(3) improve access to diverse sources of cap-
7 ital, such as microenterprise loans and venture cap-
8 ital;

9 “(4) determine the best methods to train entre-
10 preneurs with respect to preparing business plans,
11 recordkeeping, tax rules, financial management, and
12 general business practices;

13 “(5) promote entrepreneurship among—

14 “(A) rural youth, minority, and immigrant
15 populations;

16 “(B) women; and

17 “(C) low- and moderate-income rural resi-
18 dents;

19 “(6) create networks of entrepreneurial support
20 through partnerships among rural entrepreneurs,
21 local business communities, all levels of government,
22 nonprofit organizations, colleges and universities,
23 and other sectors;

24 “(7) study and facilitate entrepreneurial devel-
25 opment systems that best align with the unique

1 needs and strengths of particular rural areas and
2 communities; and

3 “(8) explore promising strategies for building
4 an integrated system of program delivery to rural
5 entrepreneurs.

6 “(c) AGREEMENTS.—To carry out projects under
7 subsection (b), the Secretary shall provide grants to—

8 “(1) land-grant colleges and universities, in-
9 cluding cooperative extension services, agricultural
10 experiment stations, and regional rural development
11 centers;

12 “(2) other colleges and universities;

13 “(3) community, junior, technical, and voca-
14 tional colleges and other 2-year institutions of higher
15 education, and post-secondary business and com-
16 merce schools;

17 “(4) elementary schools and secondary schools;

18 “(5) nonprofit organizations; and

19 “(6) Federal, State, local, and tribal govern-
20 mental entities.

21 “(d) SELECTION AND PRIORITY OF PROJECTS.—

22 “(1) IN GENERAL.—In selecting projects to be
23 carried out under this section, the Secretary shall
24 take into consideration—

1 “(A) the relevance of the project to the
2 purposes of this section;

3 “(B) the appropriateness of the design of
4 the project;

5 “(C) the likelihood of achieving the objec-
6 tives of the project; and

7 “(D) the national or regional applicability
8 of the findings and outcomes of the project.

9 “(2) PRIORITY.—In carrying out projects under
10 this section, the Secretary shall give priority to
11 projects that—

12 “(A) enhance widespread access to entre-
13 preneurial education, including access to such
14 education in community-based settings for low-
15 and moderate-income entrepreneurs and poten-
16 tial entrepreneurs;

17 “(B) closely coordinate research and edu-
18 cation activities, including outreach education
19 efforts;

20 “(C) indicate the manner in which the
21 findings of the project will be made readily usa-
22 ble to rural entrepreneurs and to rural commu-
23 nity leaders;

24 “(D) maximize the involvement and co-
25 operation of rural entrepreneurs; and

1 “(E) involve cooperation and partnerships
2 between rural entrepreneurs, nonprofit organi-
3 zations, entrepreneurial development organiza-
4 tions, educational institutions at all levels, and
5 government agencies at all levels.

6 “(e) COMPETITIVE BASIS.—Grants under this section
7 shall be awarded on a competitive basis, in accordance
8 with such criteria as the national administrative council
9 established under subsection (j)(1) may establish.

10 “(f) TERM.—The term of a grant provided under this
11 section shall be not more than 5 years.

12 “(g) LIMITATION.—Not more than 20 percent of the
13 total amount of grants provided under this section shall
14 be provided to projects in which cooperative extension
15 services are involved as the sole or lead entity of the
16 project.

17 “(h) DIVERSIFICATION OF RESEARCH, EXTENSION,
18 AND EDUCATION PROJECTS.—The Secretary shall carry
19 out projects under this section in areas that the Secretary
20 determines to be broadly representative of the diversity of
21 the rural areas of the United States, and of rural entrepre-
22 neurship in the United States, including entrepreneurship
23 involving youth, minority populations, microenterprise,
24 and women, with a focus on nonagricultural businesses or

1 food and agriculturally-based businesses, but not direct
2 agriculture production.

3 “(i) ADMINISTRATION.—The Secretary shall admin-
4 ister projects carried out under this section acting through
5 the Administrator of the National Institute of Food and
6 Agriculture.

7 “(j) NATIONAL ADMINISTRATIVE COUNCIL.—

8 “(1) ESTABLISHMENT.—The Secretary shall es-
9 tablish, in accordance with this subsection, a na-
10 tional administrative council to assist the Secretary
11 in carrying out this section.

12 “(2) MEMBERSHIP.—The membership of the
13 national administrative council shall include—

14 “(A) qualified representatives of entities
15 with demonstrable expertise relating to rural
16 entrepreneurship, including representatives of—

17 “(i) the Cooperative State Research,
18 Education, and Extension Service;

19 “(ii) the Rural Business-Cooperative
20 Service;

21 “(iii) the Small Business Administra-
22 tion;

23 “(iv) regional rural development cen-
24 ters;

25 “(v) nonprofit organizations;

1 “(vi) regional and State agencies;
2 “(vii) cooperative extension services;
3 “(viii) colleges and universities;
4 “(ix) philanthropic organizations; and
5 “(x) Indian tribal governments;

6 “(B) self-employed rural entrepreneurs and
7 owners of rural small businesses;

8 “(C) elementary and secondary educators
9 that demonstrate experience in rural entrepre-
10 neurship; and

11 “(D) other persons with experience relat-
12 ing to rural entrepreneurship and the impact of
13 rural entrepreneurship on rural communities.

14 “(3) RESPONSIBILITIES.—In collaboration with
15 the Secretary, the national administrative council es-
16 tablished under this subsection shall—

17 “(A) promote the projects carried out
18 under this section;

19 “(B) establish goals and criteria for the se-
20 lection of projects under this section;

21 “(C)(i) appoint a technical committee to
22 evaluate project proposals to be considered by
23 the council; and

24 “(ii) make recommendations of the tech-
25 nical committee to the Secretary; and

1 “(D) prepare and make publicly available
2 an annual report relating to each applicable
3 project carried out under this section, including
4 a review of projects carried out during the pre-
5 ceding year.

6 “(4) CONFLICT OF INTEREST.—A member of
7 the national administrative council or a technical
8 committee shall not participate in any determination
9 relating to, or recommendation of, a project pro-
10 posed to be carried out under this section if the
11 member has had any business interest (including the
12 provision of consulting services) in the project or the
13 organization submitting the application.

14 “(k) AUTHORIZATION FOR APPROPRIATIONS.—There
15 are authorized to be appropriated such sums as are nec-
16 essary to carry out this section for each of the fiscal years
17 2008 through 2012.”.

18 **SEC. 7044. SEED DISTRIBUTION.**

19 Subtitle K of the National Agricultural Research, Ex-
20 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
21 et seq.) (as amended by section 7043) is amended by add-
22 ing at the end the following:

23 **“SEC. 1473M. SEED DISTRIBUTION.**

24 “(a) ESTABLISHMENT.—The Secretary shall estab-
25 lish a program, to be known as the ‘seed distribution pro-

1 gram’, under which the Secretary shall provide a grant
2 to a nonprofit organization selected under subsection (c)
3 to carry out a seed distribution program to administer and
4 maintain the distribution of vegetable seeds donated by
5 commercial seed companies.

6 “(b) PURPOSE.—The purpose of the seed distribution
7 program under this section shall be to distribute vegetable
8 seeds donated by commercial seed companies.

9 “(c) SELECTION OF NONPROFIT ORGANIZATIONS.—

10 “(1) IN GENERAL.—The nonprofit organization
11 selected to receive a grant under subsection (a) shall
12 demonstrate to the satisfaction of the Secretary that
13 the organization—

14 “(A) has expertise regarding distribution
15 of vegetable seeds donated by commercial seed
16 companies; and

17 “(B) has the ability to achieve the purpose
18 of the seed distribution program.

19 “(2) PRIORITY.—In selecting a nonprofit orga-
20 nization for purposes of this section, the Secretary
21 shall give priority to a nonprofit organization that,
22 as of the date of selection, carries out an activity to
23 benefit underserved communities, such as commu-
24 nities that experience—

1 “(A) limited access to affordable fresh
2 vegetables;

3 “(B) a high rate of hunger or food insecu-
4 rity; or

5 “(C) severe or persistent poverty.

6 “(d) REQUIREMENT.—The nonprofit organization se-
7 lected under this section shall ensure that seeds donated
8 by commercial seed companies are distributed free-of-
9 charge to appropriate—

10 “(1) individuals;

11 “(2) groups;

12 “(3) institutions;

13 “(4) governmental and nongovernmental orga-
14 nizations; and

15 “(5) such other entities as the Secretary may
16 designate.

17 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
18 are authorized to be appropriated such sums as are nec-
19 essary to carry out this section for each of fiscal years
20 2008 through 2012.”.

21 **SEC. 7045. FARM AND RANCH SAFETY.**

22 Subtitle K of the National Agricultural Research, Ex-
23 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
24 et seq.) (as amended by section 7044) is amended by add-
25 ing at the end the following:

1 **“SEC. 1473N. FARM AND RANCH SAFETY.**

2 “(a) IN GENERAL.—The Secretary shall establish a
3 program, to be known as the ‘agricultural safety program’,
4 under which the Secretary shall provide grants to eligible
5 entities to carry out projects to decrease the incidence of
6 injury and death on farms and ranches.

7 “(b) ELIGIBLE ENTITIES.—To be eligible to receive
8 a grant under this section, an entity shall be—

9 “(1) a nonprofit organization;

10 “(2) a land-grant college or university (includ-
11 ing a cooperative extension service);

12 “(3) a minority-serving institution;

13 “(4) a 2-year or 4-year institution of higher
14 education; or

15 “(5) such other entity as the Secretary may
16 designate.

17 “(c) ELIGIBLE PROJECTS.—An eligible entity shall
18 use a grant received under this section only to carry out—

19 “(1) a project at least 1 component of which
20 emphasizes—

21 “(A) preventative service through on-site
22 farm or ranch safety reviews;

23 “(B) outreach and dissemination of farm
24 safety research and interventions to agricultural
25 employers, employees, youth, farm and ranch

1 families, seasonal workers, or other individuals;

2 or

3 “(C) agricultural safety education and

4 training; and

5 “(2) other appropriate activities, as determined

6 by the Secretary;

7 “(d) AUTHORIZATION OF APPROPRIATIONS.—There

8 are authorized to be appropriated such sums as are nec-

9 essary to carry out this section for each of fiscal years

10 2008 through 2012.”.

11 **SEC. 7046. WOMEN AND MINORITIES IN STEM FIELDS.**

12 Subtitle K of the National Agricultural Research, Ex-

13 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310

14 et seq.) (as amended by section 7045) is amended by add-

15 ing at the end the following:

16 **“SEC. 14730. WOMEN AND MINORITIES IN STEM FIELDS.**

17 “(a) ESTABLISHMENT.—The Secretary shall estab-

18 lish a program under which the Secretary, in coordination

19 with applicable Federal, State, and local programs, shall

20 provide grants to eligible institutions to increase, to the

21 maximum extent practicable, participation by women and

22 underrepresented minorities from rural areas (as defined

23 in section 343(a) of the Consolidated Farm and Rural De-

24 velopment Act (7 U.S.C. 1991(a))), in science, technology,

1 engineering, and mathematics fields (referred to in this
2 section as ‘STEM fields’).

3 “(b) ACTIVITIES.—In carrying out the program es-
4 tablished under subsection (a), the Secretary shall—

5 “(1) implement multitrack technology career
6 advancement training programs and provide related
7 services to engage, and encourage participation by,
8 women and underrepresented minorities in STEM
9 fields;

10 “(2) develop and administer training programs
11 for educators, career counselors, and industry rep-
12 resentatives in recruitment and retention strategies
13 to increase and retain women and underrepresented
14 minority students and job entrants into STEM
15 fields; and

16 “(3) support education-to-workforce programs
17 for women and underrepresented minorities to pro-
18 vide counseling, job shadowing, mentoring, and in-
19 ternship opportunities to guide participants in the
20 academic, training, and work experience needed for
21 STEM careers.

22 “(c) INSTITUTIONS.—

23 “(1) GRANTS.—The Secretary shall carry out
24 the program under this section at such institutions
25 as the Secretary determines to be appropriate by

1 providing grants, on a competitive basis, to the insti-
2 tutions.

3 “(2) PRIORITY.—In providing grants under
4 paragraph (1), the Secretary shall give priority, to
5 the maximum extent practicable, to institutions car-
6 rying out continuing programs funded by the Sec-
7 retary.

8 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated such sums as are nec-
10 essary to carry out this section for each of fiscal years
11 2008 through 2012.”.

12 **SEC. 7047. NATURAL PRODUCTS RESEARCH PROGRAM.**

13 Subtitle K of the National Agricultural Research, Ex-
14 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
15 et seq.) (as amended by section 7046) is amended by add-
16 ing at the end the following:

17 **“SEC. 1473P. NATURAL PRODUCTS RESEARCH PROGRAM.**

18 “(a) IN GENERAL.—The Secretary shall establish a
19 natural products research program.

20 “(b) DUTIES.—In carrying out the program estab-
21 lished under subsection (a), the Secretary shall coordinate
22 research relating to natural products, including—

23 “(1) research to improve human health and ag-
24 ricultural productivity through the discovery, devel-
25 opment, and commercialization of pharmaceuticals

1 and agrichemicals from bioactive natural products,
2 including products from plant, marine, and microbial
3 sources;

4 “(2) research to characterize the botanical
5 sources, production, chemistry, and biological prop-
6 erties of plant-derived natural products important
7 for agriculture and medicine; and

8 “(3) other research priorities identified by the
9 Secretary.

10 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated to carry out this section
12 such sums as are necessary for each of fiscal years 2008
13 through 2012.”.

14 **SEC. 7048. INTERNATIONAL ANTI-HUNGER AND NUTRITION**
15 **PROGRAM.**

16 Subtitle K of the National Agricultural Research, Ex-
17 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
18 et seq.) (as amended by section 7047) is amended by add-
19 ing at the end the following:

20 **“SEC. 1473Q. INTERNATIONAL ANTI-HUNGER AND NUTRI-**
21 **TION.**

22 “(a) IN GENERAL.—The Secretary shall provide sup-
23 port to established nonprofit organizations that focus on
24 promoting research concerning—

1 “(1) anti-hunger and improved nutrition efforts
2 internationally; and

3 “(2) increased quantity, quality, and availability
4 of food.

5 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
6 is authorized to be appropriated to carry out this section
7 \$1,000,000 for each of fiscal years 2008 through 2012.”.

8 **SEC. 7049. CONSORTIUM FOR AGRICULTURAL AND RURAL**
9 **TRANSPORTATION RESEARCH AND EDU-**
10 **CATION.**

11 Subtitle K of the National Agricultural Research, Ex-
12 tension, and Teaching Policy Act of 1977 (7 U.S.C. 3310
13 et seq.) (as amended by section 7048) is amended by add-
14 ing at the end the following:

15 **“SEC. 1473R. CONSORTIUM FOR AGRICULTURAL AND**
16 **RURAL TRANSPORTATION RESEARCH AND**
17 **EDUCATION.**

18 “(a) IN GENERAL.—Subject to the availability of ap-
19 propriations to carry out this section, the Secretary, acting
20 through the Agricultural Marketing Service, shall award
21 grants to the Consortium for Agricultural and Rural
22 Transportation Research and Education for the purpose
23 of funding prospective, independent research, education,
24 and technology transfer activities.

1 “(b) ACTIVITIES.—Activities funded with grants
2 made under subsection (a) shall focus on critical rural and
3 agricultural transportation and logistics issues facing agri-
4 cultural producers and other rural businesses, including—

5 “(1) issues relating to the relationship between
6 renewable fuels and transportation;

7 “(2) export promotion issues based on transpor-
8 tation strategies for rural areas;

9 “(3) transportation and rural business facility
10 planning and location issues;

11 “(4) transportation management and supply
12 chain management support issues;

13 “(5) rural road planning and finance issues;

14 “(6) advanced transportation technology appli-
15 cations in a rural area; and

16 “(7) creation of a national agricultural mar-
17 keting and rural business transportation database.

18 “(c) REPORT.—Not later than September 30, 2011,
19 the Secretary shall submit to the Committee on Agri-
20 culture of the House of Representatives and the Com-
21 mittee on Agriculture, Nutrition, and Forestry of the Sen-
22 ate a report that—

23 “(1) describes the activities of Consortium for
24 Agricultural and Rural Transportation Research and

1 Education that have been funded through grants
2 made under this section; and

3 “(2) contains recommendations about the grant
4 program.

5 “(d) AUTHORIZATION OF APPROPRIATIONS.—

6 “(1) IN GENERAL.—There is authorized to be
7 appropriated to carry out this section \$19,000,000
8 for each of fiscal years 2008 through 2012.

9 “(2) ADMINISTRATIVE EXPENSES.—Of the total
10 amount made available under paragraph (1), not
11 more than \$1,000,000 may be used by the Agricul-
12 tural Marketing Service for administrative expenses
13 incurred in carrying out this section.”.

14 **Subtitle B—Food, Agriculture, Con-**
15 **servation, and Trade Act of 1990**

16 **SEC. 7101. NATIONAL GENETIC RESOURCES PROGRAM.**

17 (a) IN GENERAL.—Section 1632 of the Food, Agri-
18 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
19 5841) is amended—

20 (1) by striking subsection (b) and inserting the
21 following:

22 “(b) PURPOSE.—The program is established for the
23 purpose of—

24 “(1) maintaining and enhancing a program pro-
25 viding for the collection, preservation, and dissemi-

1 nation of plant, animal, and microbial genetic mate-
2 rial of importance to food and agriculture production
3 in the United States; and

4 “(2) undertaking long-term research on plant
5 and animal breeding and disease resistance.”; and

6 (2) in subsection (d)—

7 (A) in paragraph (5), by striking “and” at
8 the end;

9 (B) by redesignating paragraph (6) as
10 paragraph (7); and

11 (C) by inserting after paragraph (5) the
12 following:

13 “(6) in conjunction with national programs for
14 plant and animal genetic resources, undertake long-
15 term research on plant and animal breeding, includ-
16 ing the development of varieties adapted to sustain-
17 able and organic farming systems, and disease re-
18 sistance; and”.

19 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
20 1635(b) of the Food, Agriculture, Conservation, and
21 Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by
22 striking “2007” and inserting “2012”.

1 **SEC. 7102. HIGH-PRIORITY RESEARCH AND EXTENSION INI-**
2 **TIATIVES.**

3 Section 1672 of the Food, Agriculture, Conservation,
4 and Trade Act of 1990 (7 U.S.C. 5925) is amended—

5 (1) in subsection (e), by adding at the end the
6 following:

7 “(46) COLONY COLLAPSE DISORDER AND POL-
8 LINATOR RESEARCH PROGRAM.—Research and ex-
9 tension grants may be made to—

10 “(A) survey and collect data on bee colony
11 production and health;

12 “(B) investigate pollinator biology, immu-
13 nology, ecology, genomics, and bioinformatics;

14 “(C) conduct research on various factors
15 that may be contributing to or associated with
16 colony collapse disorder, and other serious
17 threats to the health of honey bees and other
18 pollinators, including—

19 “(i) parasites and pathogens of polli-
20 nators; and

21 “(ii) the sublethal effects of insecti-
22 cides, herbicides, and fungicides on honey
23 bees and native and managed pollinators;

24 “(D) develop mitigative and preventative
25 measures to improve native and managed polli-
26 nator health; and

1 “(E) promote the health of honey bees and
2 native pollinators through habitat conservation
3 and best management practices.

4 “(47) MARINE SHRIMP FARMING PROGRAM.—
5 Research and extension grants may be made to es-
6 tablish a research program to advance and maintain
7 a domestic shrimp farming industry in the United
8 States.

9 “(48) CRANBERRY RESEARCH PROGRAM.—Re-
10 search and extension grants may be made to study
11 new technologies to assist cranberry growers in com-
12 plying with Federal and State environmental regula-
13 tions, increase cranberry production, develop new
14 growing techniques, establish more efficient growing
15 methodologies, and educate farmers about sustain-
16 able growth practices.

17 “(49) TURFGRASS RESEARCH INITIATIVE.—Re-
18 search and extension grants may be made to study
19 the production of turfgrass (including the use of
20 water, fertilizer, pesticides, fossil fuels, and machin-
21 ery for turf establishment and maintenance) and en-
22 vironmental protection and enhancement relating to
23 turfgrass production.

24 “(50) PESTICIDE SAFETY RESEARCH INITIA-
25 TIVE.—Research grants may be made to study pes-

1 ticide safety for migrant and seasonal agricultural
2 workers, including research on increased risks of
3 cancer or birth defects among migrant or seasonal
4 farmworkers and their children, identification of ob-
5 jective biological indicators, and development of inex-
6 pensive clinical tests to enable clinicians to diagnose
7 overexposure to pesticides, and development of field-
8 level tests to determine when pesticide-treated fields
9 are safe to reenter to perform hand labor activities.

10 “(51) SWINE GENOME PROJECT.—Research
11 grants may be made under this section to conduct
12 swine genome research and to map the swine ge-
13 nome.

14 “(52) HIGH PLAINS AQUIFER REGION.—Re-
15 search and extension grants may be made to carry
16 out interdisciplinary research relating to diminishing
17 water levels and increased demand for water in the
18 High Plains aquifer region encompassing the States
19 of Colorado, Kansas, Nebraska, New Mexico, Okla-
20 homa, South Dakota, Texas, and Wyoming.

21 “(53) CELLULOSIC FEEDSTOCK TRANSPOR-
22 TATION AND DELIVERY INITIATIVE.—Research and
23 extension grants may be made to study new tech-
24 nologies for the economic post-harvest densification,

1 handling, transportation, and delivery of cellulosic
2 feedstocks for bioenergy conversion.

3 “(54) DEER INITIATIVE.—Research and exten-
4 sion grants may be made to support collaborative re-
5 search focusing on the development of viable strate-
6 gies for the prevention, diagnosis, and treatment of
7 infectious, parasitic, and toxic diseases of farmed
8 deer and the mapping of the deer genome.

9 “(55) PASTURE-BASED BEEF SYSTEMS FOR AP-
10 PALACHIA RESEARCH INITIATIVE.—Research and ex-
11 tension grants may be made to land-grant institu-
12 tions—

13 “(A) to study the development of forage
14 sequences and combinations for cow-calf, heifer
15 development, stocker, and finishing systems;

16 “(B) to deliver optimal nutritive value for
17 efficient production of cattle for pasture fin-
18 ishing;

19 “(C) to optimize forage systems to produce
20 pasture finished beef that is acceptable to con-
21 sumers;

22 “(D) to develop a 12-month production
23 and marketing model cycle for forage-fed beef;
24 and

1 “(E) to assess the effect of forage quality
2 on reproductive fitness and related measures.”;
3 and
4 (2) in subsection (h), by striking “2007” and
5 inserting “2012, of which \$20,000,000 shall be used
6 for each fiscal year to make grants described in sub-
7 section (e)(46)”.

8 **SEC. 7103. NUTRIENT MANAGEMENT RESEARCH AND EX-**
9 **TENSION INITIATIVE.**

10 Section 1672A of the Food, Agriculture, Conserva-
11 tion, and Trade Act of 1990 (7 U.S.C. 5925a) is amend-
12 ed—

13 (1) by redesignating subsection (g) as sub-
14 section (f); and

15 (2) in subsection (f) (as so redesignated), by
16 striking “2007” and inserting “2012”.

17 **SEC. 7104. ORGANIC AGRICULTURE RESEARCH AND EXTEN-**
18 **SION INITIATIVE.**

19 Section 1672B of the Food, Agriculture, Conserva-
20 tion, and Trade Act of 1990 (7 U.S.C. 5925b) is amended
21 by striking subsection (e) and inserting the following:

22 “(e) FUNDING.—Of the funds of the Commodity
23 Credit Corporation, the Secretary shall use to carry out
24 this section \$16,000,000 for each of fiscal years 2008
25 through 2012, to remain available until expended.”.

1 **SEC. 7105. AGRICULTURAL TELECOMMUNICATIONS PRO-**
2 **GRAM.**

3 Section 1673(h) of the Food, Agriculture, Conserva-
4 tion, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amend-
5 ed by striking “2007” and inserting “2012”.

6 **SEC. 7106. ASSISTIVE TECHNOLOGY PROGRAM FOR FARM-**
7 **ERS WITH DISABILITIES.**

8 Section 1680(c)(1) of the Food, Agriculture, Con-
9 servation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1))
10 is amended by striking “2007” and inserting “2012”.

11 **SEC. 7107. NATIONAL RURAL INFORMATION CENTER**
12 **CLEARINGHOUSE.**

13 Section 2381(e) of the Food, Agriculture, Conserva-
14 tion, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is
15 amended by striking “2007” and inserting “2012”.

16 **Subtitle C—Agricultural Research,**
17 **Extension, and Education Re-**
18 **form Act of 1998**

19 **SEC. 7201. INITIATIVE FOR FUTURE AGRICULTURE AND**
20 **FOOD SYSTEMS.**

21 (a) FUNDING.—Section 401(b) of the Agricultural
22 Research, Extension, and Education Reform Act of 1998
23 (7 U.S.C. 7621(b)) is amended by striking paragraph (3)
24 and inserting the following:

25 “(3) OTHER FUNDING.—

1 “(A) AUTHORIZATION OF APPROPRIA-
2 TIONS.—There is authorized to be appropriated
3 to carry out this section \$200,000,000 for each
4 of fiscal years 2008 through 2012.

5 “(B) SHORTAGE OF FUNDS.—Notwith-
6 standing any other provision of law, during any
7 year for which funds are not made available
8 under this subsection, the Secretary shall use
9 not less than 80 percent of the funds made
10 available for competitive mission-linked systems
11 research grants under section 2(b)(10)(B) of
12 the Competitive, Special, and Facilities Re-
13 search Grant Act (7 U.S.C. 450i(b)(10)(B)) to
14 carry out a competitive grant program under
15 the same terms and conditions as are provided
16 under this section.”.

17 (b) PURPOSES.—Section 401(c) of the Agricultural
18 Research, Extension, and Education Reform Act of 1998
19 (7 U.S.C. 7621(c)) is amended—

20 (1) in paragraph (1)(D), by striking “policy”;
21 and

22 (2) in paragraph (2)—

23 (A) by striking subparagraphs (A) and
24 (D);

1 (B) by redesignating subparagraphs (B),
2 (C), (E), and (F) as subparagraphs (A), (B),
3 (F), and (G), respectively;

4 (C) by inserting after subparagraph (B)
5 the following:

6 “(C) sustainable and renewable agri-
7 culture-based energy production options and
8 policies;

9 “(D) environmental services and outcome-
10 based conservation programs and markets;

11 “(E) agricultural and rural entrepreneur-
12 ship and business and community development,
13 including farming and ranching opportunities
14 for beginning farmers or ranchers;”; and

15 (D) in subparagraph (F) (as redesignated
16 by subparagraph (B))—

17 (i) by inserting “and environmental”
18 after “natural resource”; and

19 (ii) by inserting “agro-ecosystems
20 and” after “including”; and

21 (E) in subparagraph (G) (as redesignated
22 by subparagraph (B))—

23 (i) by striking “including the viabil-
24 ity” and inserting the following: “includ-
25 ing—

1 “(i) the viability”; and
2 (ii) by striking “operations.” and in-
3 serting the following: “operations;
4 “(ii) farm transition options for retir-
5 ing farmers or ranchers; and
6 “(iii) farm transfer and entry alter-
7 natives for beginning or socially-disadvan-
8 tagged farmers or ranchers.”.

9 **SEC. 7202. PARTNERSHIPS FOR HIGH-VALUE AGRICUL-**
10 **TURAL PRODUCT QUALITY RESEARCH.**

11 Section 402(g) of the Agricultural Research, Exten-
12 sion, and Education Reform Act of 1998 (7 U.S.C.
13 7622(g)) is amended by striking “2007” and inserting
14 “2012”.

15 **SEC. 7203. PRECISION AGRICULTURE.**

16 Section 403(i)(1) of the Agricultural Research, Ex-
17 tension, and Education Reform Act of 1998 (7 U.S.C.
18 7623(i)(1)) is amended by striking “2007” and inserting
19 “2012”.

20 **SEC. 7204. BIOBASED PRODUCTS.**

21 (a) PILOT PROJECT.—Section 404(e)(2) of the Agri-
22 cultural Research, Extension, and Education Reform Act
23 of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking
24 “2007” and inserting “2012”.

1 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
2 404(h) of the Agricultural Research, Extension, and Edu-
3 cation Reform Act of 1998 (7 U.S.C. 7624(h)) is amended
4 by striking “2007” and inserting “2012”.

5 **SEC. 7205. THOMAS JEFFERSON INITIATIVE FOR CROP DI-**
6 **VERSIFICATION.**

7 Section 405(h) of the Agricultural Research, Exten-
8 sion, and Education Reform Act of 1998 (7 U.S.C.
9 7625(h)) is amended by striking “2007” and inserting
10 “2012”.

11 **SEC. 7206. INTEGRATED RESEARCH, EDUCATION, AND EX-**
12 **TENSION COMPETITIVE GRANTS PROGRAM.**

13 Section 406(f) of the Agricultural Research, Exten-
14 sion, and Education Reform Act of 1998 (7 U.S.C.
15 7626(f)) is amended by striking “2007” and inserting
16 “2012”.

17 **SEC. 7207. SUPPORT FOR RESEARCH REGARDING DISEASES**
18 **OF WHEAT, TRITICALE, AND BARLEY CAUSED**
19 **BY FUSARIUM GRAMINEARUM OR BY**
20 **TILLETIA INDICA.**

21 Section 408(e) of the Agricultural Research, Exten-
22 sion, and Education Reform Act of 1998 (7 U.S.C.
23 7628(e)) is amended by striking “2007” and inserting
24 “2012”.

1 **SEC. 7208. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.**

2 Section 409(b) of the Agricultural Research, Exten-
3 sion, and Education Reform Act of 1998 (7 U.S.C.
4 7629(b)) is amended by striking “2007” and inserting
5 “2012”.

6 **SEC. 7209. GRANTS FOR YOUTH ORGANIZATIONS.**

7 Section 410(c) of the Agricultural Research, Exten-
8 sion, and Education Reform Act of 1998 (7 U.S.C.
9 7630(c)) is amended by striking “2007” and inserting
10 “2012”.

11 **SEC. 7210. AGRICULTURAL BIOTECHNOLOGY RESEARCH**
12 **AND DEVELOPMENT FOR DEVELOPING COUN-**
13 **TRIES.**

14 Section 411(c) of the Agricultural Research, Exten-
15 sion, and Education Reform Act of 1998 (7 U.S.C.
16 7631(c)) is amended by striking “2007” and inserting
17 “2012”.

18 **SEC. 7211. SPECIALTY CROP RESEARCH INITIATIVE.**

19 Title IV of the Agricultural Research, Extension, and
20 Education Reform Act of 1998 (7 U.S.C. 7621 et seq.)
21 is amended by adding at the end the following:

22 **“SEC. 412. SPECIALTY CROP RESEARCH INITIATIVE.**

23 **“(a) DEFINITIONS.—In this section:**

24 **“(1) INITIATIVE.—The term ‘Initiative’ means**
25 **the specialty crop research initiative established by**
26 **subsection (b).**

1 “(2) SPECIALTY CROP.—The term ‘specialty
2 crop’ has the meaning given the term in section 3
3 of the Specialty Crops Competitiveness Act of 2004
4 (7 U.S.C. 1621 note; Public Law 108–465).

5 “(b) ESTABLISHMENT.—There is established within
6 the Department a specialty crop research initiative.

7 “(c) PURPOSE.—The purpose of the Initiative shall
8 be to address the critical needs of the specialty crop indus-
9 try by providing science-based tools to address needs of
10 specific crops and regions, including—

11 “(1) fundamental and applied work in plant
12 breeding, genetics, and genomics to improve crop
13 characteristics, such as—

14 “(A) product appearance, quality, taste,
15 yield, and shelf life;

16 “(B) environmental responses and toler-
17 ances;

18 “(C) plant-nutrient uptake efficiency re-
19 sulting in improved nutrient management;

20 “(D) pest and disease management, includ-
21 ing resilience to pests and diseases resulting in
22 reduced application management strategies; and

23 “(E) enhanced phytonutrient content;

24 “(2) efforts to prevent, identify, control, or
25 eradicate invasive species;

1 “(3) methods of improving agricultural produc-
2 tion by developing more technologically-efficient and
3 effective applications of water, nutrients, and pes-
4 ticides to reduce energy use;

5 “(4) new innovations and technology to enhance
6 mechanization and reduce reliance on labor;

7 “(5) methods of improving production effi-
8 ciency, productivity, sustainability, and profitability
9 over the long term;

10 “(6) methods to prevent, control, and respond
11 to human pathogen contamination of specialty crops,
12 including fresh-cut produce; and

13 “(7) efforts relating to optimizing the produc-
14 tion of organic specialty crops.

15 “(d) ELIGIBLE ENTITIES.—The Secretary may carry
16 out the Initiative through—

17 “(1) Federal agencies;

18 “(2) national laboratories;

19 “(3) institutions of higher education;

20 “(4) research institutions and organizations;

21 “(5) private organizations and corporations;

22 “(6) State agricultural experiment stations; and

23 “(7) individuals.

24 “(e) RESEARCH PROJECTS.—In carrying out this
25 section, the Secretary may—

1 “(1) carry out research; and

2 “(2) award grants on a competitive basis.

3 “(f) PRIORITIES.—In making grants under this sec-
4 tion, the Secretary shall provide a higher priority to
5 projects that—

6 “(1) are multistate, multi-institutional, or mul-
7 tidisciplinary; and

8 “(2) include explicit mechanisms to commu-
9 nicate usable results to producers and the public.

10 “(g) FUNDING.—Of the funds of the Commodity
11 Credit Corporation, the Secretary shall use to carry out
12 this section \$16,000,000 for each of fiscal years 2008
13 through 2012, to remain available until expended.”.

14 **SEC. 7212. OFFICE OF PEST MANAGEMENT POLICY.**

15 (a) IN GENERAL.—Section 614(b) of the Agricultural
16 Research, Extension, and Education Reform Act of 1998
17 (7 U.S.C. 7653(b)) is amended—

18 (1) in the matter preceding paragraph (1), by
19 striking “Department” and inserting “Office of the
20 Chief Economist”;

21 (2) in paragraph (1), by striking “the develop-
22 ment and coordination” and inserting “the develop-
23 ment, coordination, and representation”; and

24 (3) in paragraph (3), by striking “assisting
25 other agencies of the Department in fulfilling their”

1 and inserting “enabling the Secretary to fulfill the
2 statutory”.

3 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
4 614(f) of the Agricultural Research, Extension, and Edu-
5 cation Reform Act of 1998 (7 U.S.C. 7653(f)) is amended
6 by striking “2007” and inserting “2012”.

7 **SEC. 7213. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE**
8 **PROGRAM.**

9 Section 604 of the Agricultural Research, Extension,
10 and Education Reform Act of 1998 (7 U.S.C. 7642) is
11 amended by adding at the end the following:

12 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
13 is authorized to be appropriated to carry out this section
14 \$2,500,000 for each of fiscal years 2008 through 2012.”.

15 **Subtitle D—Other Laws**

16 **SEC. 7301. CRITICAL AGRICULTURAL MATERIALS ACT.**

17 Section 16(a) of the Critical Agricultural Materials
18 Act (7 U.S.C. 178n(a)) is amended by striking “2007”
19 and inserting “2012”.

20 **SEC. 7302. EQUITY IN EDUCATIONAL LAND-GRANT STATUS**
21 **ACT OF 1994.**

22 (a) DEFINITION OF 1994 INSTITUTIONS.—Section
23 532 of the Equity in Educational Land-Grant Status Act
24 of 1994 (7 U.S.C. 301 note; Public Law 103–382) is
25 amended by adding at the end the following:

1 “(34) Ilisagvik College.”.

2 (b) ENDOWMENT FOR 1994 INSTITUTIONS.—Section
3 533(b) of the Equity in Educational Land-Grant Status
4 Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)
5 is amended in the first sentence by striking “2007” and
6 inserting “2012”.

7 (c) INSTITUTIONAL CAPACITY BUILDING GRANTS.—
8 Section 535 of the Equity in Educational Land-Grant Sta-
9 tus Act of 1994 (7 U.S.C. 301 note; Public Law 103–
10 382) is amended by striking “2007” each place it appears
11 and inserting “2012”.

12 (d) RESEARCH GRANTS.—Section 536(c) of the Eq-
13 uity in Educational Land-Grant Status Act of 1994 (7
14 U.S.C. 301 note; Public Law 103–382) is amended in the
15 first sentence by striking “2007” and inserting “2012”.

16 **SEC. 7303. SMITH-LEVER ACT.**

17 (a) CHILDREN, YOUTH, AND FAMILIES EDUCATION
18 AND RESEARCH NETWORK PROGRAM.—Section 3 of the
19 Smith-Lever Act (7 U.S.C. 343) is amended by adding
20 at the end the following:

21 “(k) CHILDREN, YOUTH, AND FAMILIES EDUCATION
22 AND RESEARCH NETWORK PROGRAM.—Notwithstanding
23 section 3(d)(2) of the Act of May 8, 1914 (7 U.S.C.
24 343(d)(2)), in carrying out the children, youth, and fami-
25 lies education and research network program using

1 amounts made available under subsection (d), the Sec-
2 retary shall include 1890 Institutions (as defined in sec-
3 tion 2 of the Agricultural Research, Extension, and Edu-
4 cation Reform Act of 1998 (7 U.S.C. 7601)) as eligible
5 program applicants and participants.”.

6 (b) ELIMINATION OF THE GOVERNOR’S REPORT RE-
7 QUIREMENT FOR EXTENSION ACTIVITIES.—Section 5 of
8 the Smith-Lever Act (7 U.S.C. 345) is amended by strik-
9 ing the third sentence.

10 **SEC. 7304. HATCH ACT OF 1887.**

11 (a) DISTRICT OF COLUMBIA.—Section 3(d)(4) of the
12 Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended—

13 (1) in the paragraph heading, by inserting

14 “AND THE DISTRICT OF COLUMBIA” after “AREAS”;

15 (2) in subparagraph (A)—

16 (A) by inserting “and the District of Co-
17 lumbia” after “United States”; and

18 (B) by inserting “and the District of Co-
19 lumbia” after “respectively,”; and

20 (3) in subparagraph (B), by inserting “or the
21 District of Columbia” after “area”.

22 (b) ELIMINATION OF PENALTY MAIL AUTHORI-
23 TIES.—

24 (1) IN GENERAL.—Section 6 of the Hatch Act
25 of 1887 (7 U.S.C. 361f) is amended in the first sen-

1 tence by striking “under penalty indicia:” and all
2 that follows through the end of the sentence and in-
3 serting a period.

4 (2) CONFORMING AMENDMENTS IN OTHER
5 LAWS.—

6 (A) NATIONAL AGRICULTURAL RESEARCH,
7 EXTENSION, AND TEACHING POLICY ACT OF
8 1977.—

9 (i) Section 1444(f) of the National
10 Agricultural Research, Extension, and
11 Teaching Policy Act of 1977 (7 U.S.C.
12 3221(f)) is amended by striking “under
13 penalty indicia:” and all that follows
14 through the end of the sentence and insert-
15 ing a period.

16 (ii) Section 1445(e) of the National
17 Agricultural Research, Extension, and
18 Teaching Policy Act of 1977 (7 U.S.C.
19 3222(e)) is amended by striking “under
20 penalty indicia:” and all that follows
21 through the end of the sentence and insert-
22 ing a period.

23 (B) OTHER PROVISIONS.—Section 3202(a)
24 of title 39, United States Code, is amended—

25 (i) in paragraph (1)—

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1 (I) in subparagraph (D), by add-
2 ing “and” at the end;

3 (II) in subparagraph (E), by
4 striking “sections; and” and inserting
5 “sections.”; and

6 (III) by striking subparagraph
7 (F);

8 (ii) in paragraph (2), by adding “and”
9 at the end;

10 (iii) in paragraph (3) by striking
11 “thereof; and” and inserting “thereof.”;
12 and

13 (iv) by striking paragraph (4).

14 **SEC. 7305. RESEARCH FACILITIES ACT.**

15 Section 6(a) of the Research Facilities Act (7 U.S.C.
16 390d(a)) is amended by striking “2007” and inserting
17 “2012”.

18 **SEC. 7306. NATIONAL AGRICULTURAL RESEARCH, EXTEN-**
19 **SION, AND TEACHING POLICY ACT AMEND-**
20 **MENTS OF 1985.**

21 Section 1431 of the National Agricultural Research,
22 Extension, and Teaching Policy Act Amendments of 1985
23 (Public Law 99–198; 99 Stat. 1556) is amended by strik-
24 ing “2007” and inserting “2012”.

1 **SEC. 7307. COMPETITIVE, SPECIAL, AND FACILITIES RE-**
2 **SEARCH GRANT ACT.**

3 The Competitive, Special, and Facilities Research
4 Grant Act (7 U.S.C. 450i) is amended in subsection (b)—

5 (1) in paragraph (2)—

6 (A) in the matter preceding subparagraph

7 (A)—

8 (i) by striking “in the areas” and all
9 that follows through “needs shall be” and
10 inserting “, as”; and

11 (ii) by striking “year.” and inserting
12 “year, relating to—”;

13 (B) in subparagraph (E), by striking
14 “and” at the end and inserting “; agricultural
15 genomics and biotechnology, including the ap-
16 plication of genomics and bioinformatics tools
17 to develop traits in plants and animals
18 (translational genomics);”;

19 (C) in subparagraph (F), by striking the
20 period at the end and inserting “, including
21 areas of concern to beginning farmers or ranch-
22 ers; and”; and

23 (D) by adding at the end the following:

24 “(G) classical plant and animal breeding,
25 including cultivar and breed development, selec-
26 tion theory, applied quantitative genetics, breed-

1 ing for organic and sustainable systems, breed-
2 ing for improved nutritional and eating quality,
3 breeding for improved local adaptation to biotic
4 stress, abiotic stress, and climate change, and
5 participatory breeding with farmers and end
6 users.”;

7 (2) in paragraph (4)—

8 (A) by striking “The” and inserting the
9 following:

10 “(A) IN GENERAL.—Subject to subpara-
11 graph (B), the”; and

12 (B) by adding at the end the following:

13 “(B) CLASSICAL PLANT AND ANIMAL
14 BREEDING.—

15 “(i) TERM.—The term of a competi-
16 tive grant relating to classical plant and
17 animal breeding under paragraph (2)(G)
18 shall not exceed 10 years.

19 “(ii) AVAILABILITY.—Funds made
20 available for a fiscal year for a competitive
21 grant relating to classical plant and animal
22 breeding under paragraph (2)(G) shall re-
23 main available until expended to pay for
24 obligations incurred in that fiscal year.”;
25 and

1 (3) in paragraph (10), by striking “2007” and
2 inserting “2012”.

3 **SEC. 7308. EDUCATION GRANTS TO ALASKA NATIVE SERV-**
4 **ING INSTITUTIONS AND NATIVE HAWAIIAN**
5 **SERVING INSTITUTIONS.**

6 Section 759 of the Agriculture, Rural Development,
7 Food and Drug Administration, and Related Agencies Ap-
8 propriations Act, 2000 (7 U.S.C. 3242) is amended—

9 (1) in subsection (a)(3), by striking “2006” and
10 inserting “2012”; and

11 (2) in subsection (b)—

12 (A) in paragraph (2)(A), by inserting be-
13 fore the semicolon at the end the following: “,
14 including permitting consortia to designate fis-
15 cal agents for the members of the consortia and
16 to allocate among the members funds made
17 available under this section”; and

18 (B) in paragraph (3), by striking “2006”
19 and inserting “2012”.

20 **SEC. 7309. BEGINNING FARMER AND RANCHER DEVELOP-**
21 **MENT PROGRAM.**

22 (a) GRANTS.—Section 7405(c) of the Farm Security
23 and Rural Investment Act of 2002 (7 U.S.C. 3319f(c))
24 is amended—

25 (1) in paragraph (1)—

1 (A) in subparagraph (I), by inserting “, in-
2 cluding energy conservation and efficiency”
3 after “assistance”; and

4 (B) in subparagraph (K), by inserting “,
5 including transition to organic and other
6 source-verified and value-added alternative pro-
7 duction and marketing systems” after “strate-
8 gies”;

9 (2) by striking paragraph (3) and inserting the
10 following:

11 “(3) MAXIMUM TERM AND SIZE OF GRANT.—

12 “(A) IN GENERAL.—A grant under this
13 subsection shall—

14 “(i) have a term that is not more than
15 3 years; and

16 “(ii) be in an amount that is not more
17 than \$250,000 a year.

18 “(B) CONSECUTIVE GRANTS.—An eligible
19 recipient may receive consecutive grants under
20 this subsection.”;

21 (3) by redesignating paragraphs (5) through
22 (7) as paragraphs (9) through (11), respectively;

23 (4) by inserting after paragraph (4) the fol-
24 lowing:

1 “(5) EVALUATION CRITERIA.—In making
2 grants under this subsection, the Secretary shall
3 evaluate—

4 “(A) relevancy;

5 “(B) technical merit;

6 “(C) achievability;

7 “(D) the expertise and track record of 1 or
8 more applicants;

9 “(E) the adequacy of plans for the
10 participatory evaluation process, outcome-based
11 reporting, and the communication of findings
12 and results beyond the immediate target audi-
13 ence; and

14 “(F) other appropriate factors, as deter-
15 mined by the Secretary.

16 “(6) REGIONAL BALANCE.—In making grants
17 under this subsection, the Secretary shall, to the
18 maximum extent practicable, ensure geographic di-
19 versity.

20 “(7) ORGANIC CONVERSION.—The Secretary
21 may make grants under this subsection to support
22 projects that provide comprehensive technical assist-
23 ance to beginning farmers or ranchers who are in
24 the process of converting to certified organic produc-
25 tion.

1 “(8) PRIORITY.—In making grants under this
2 subsection, the Secretary shall give priority to part-
3 nerships and collaborations that are led by or in-
4 clude non-governmental and community-based orga-
5 nizations with expertise in new farmer training and
6 outreach.”; and

7 (5) in paragraph (9) (as redesignated by para-
8 graph (3))—

9 (A) in subparagraph (B), by striking
10 “and” at the end;

11 (B) in subparagraph (C), by striking the
12 period and adding “; and”; and

13 (C) by adding at the end the following:

14 “(D) refugee or immigrant beginning
15 farmers or ranchers”.

16 (b) EDUCATION TEAMS.—Section 7405(d)(2) of the
17 Farm Security and Rural Investment Act of 2002 (7
18 U.S.C. 3319f(d)(2)) is amended by inserting “, including
19 sustainable and organic farming production and mar-
20 keting methods” before the period at the end.

21 (c) STAKEHOLDER INPUT.—Section 7405(f) of the
22 Farm Security and Rural Investment Act of 2002 (7
23 U.S.C. 3319f(f)) is amended—

(1) by redesignating paragraphs (1) through
(3) as subparagraphs (A) through (C), respectively,
and indenting appropriately;

4 (2) by striking “In carrying out” and inserting
5 the following:

6 “(1) IN GENERAL.—In carrying out”; and

7 (3) by adding at the end the following:

8 “(2) REVIEW PANELS.—In forming review pan-
9 els to evaluate proposals submitted under this sec-
10 tion, the Secretary shall include individuals from the
11 categories described in paragraph (1).”.

(d) FUNDING.—Section 7405 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 3319f) is amended by striking subsection (h) and inserting the following:

16 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
17 is authorized to be appropriated to carry out this section
18 \$30,000,000 for each of fiscal years 2002 through 2012.”.

19 SEC. 7310. MCINTIRE-STENNIS COOPERATIVE FORESTRY
20 ACT.

Section 2 of Public Law 87-788 (commonly known as the “McIntire-Stennis Cooperative Forestry Act”) (16 U.S.C. 582a-1) is amended by inserting “and 1890 Institutions (as defined in section 2 of the Agricultural Re-

1 search, Extension, and Education Reform Act of 1998 (7
2 U.S.C. 7601)),” before “and (b)”.

3 **SEC. 7311. NATIONAL AQUACULTURE ACT OF 1980.**

4 Section 10 of the National Aquaculture Act of 1980
5 (16 U.S.C. 2809) is amended by striking “2007” each
6 place it appears and inserting “2012”.

7 **SEC. 7312. NATIONAL ARBORETUM.**

8 The Act of March 4, 1927 (20 U.S.C. 191 et seq.),
9 is amended by adding at the end the following:

10 **“SEC. 7. CONSTRUCTION OF A CHINESE GARDEN AT NA-**
11 **TIONAL ARBORETUM.**

12 “A Chinese Garden may be constructed at the Na-
13 tional Arboretum established under this Act with—

14 “(1) funds accepted under section 5;

15 “(2) authorities provided to the Secretary of
16 Agriculture under section 6; and

17 “(3) appropriations made for this purpose.”.

18 **SEC. 7313. ELIGIBILITY OF UNIVERSITY OF THE DISTRICT**
19 **OF COLUMBIA FOR CERTAIN LAND-GRANT**
20 **UNIVERSITY ASSISTANCE.**

21 Section 208 of the District of Columbia Public Post-
22 secondary Education Reorganization Act (Public Law 93–
23 471; 88 Stat. 1428) is amended—

1 (1) in subsection (b)(2), by striking “, except”
2 and all that follows through the period and inserting
3 a period; and

4 (2) in subsection (c)—

5 (A) by striking “section 3” each place it
6 appears and inserting “section 3(c)”; and

7 (B) by striking “Such sums may be used
8 to pay” and all that follows through “work.”.

9 **SEC. 7314. EXCHANGE OR SALE AUTHORITY.**

10 Title III of the Department of Agriculture Reorga-
11 nization Act of 1994 is amended by adding after section
12 307 (7 U.S.C. 2204 note; Public Law 103–354) (as
13 amended by section 2602) the following:

14 **“SEC. 308. EXCHANGE OR SALE AUTHORITY.**

15 “(a) DEFINITION OF QUALIFIED ITEMS OF PER-
16 SONAL PROPERTY.—In this section, the term ‘qualified
17 items of personal property’ means—

18 “(1) animals;

19 “(2) animal products;

20 “(3) plants; and

21 “(4) plant products.

22 “(b) GENERAL AUTHORITY.—Except as provided in
23 subsection (c), notwithstanding chapter 5 of subtitle I of
24 title 40, United States Code, the Secretary of Agriculture,
25 acting through the Under Secretary for Research, Edu-

1 cation, and Economics, in managing personal property for
2 the purpose of carrying out the research functions of the
3 Department of Agriculture, may exchange, sell, or other-
4 wise dispose of any qualified items of personal property,
5 including by way of public auction, and may retain and
6 apply the sale or other proceeds, without further appro-
7 priation, in whole or in partial payment—

8 “(1) to acquire any qualified items of personal
9 property; or

10 “(2) to offset costs related to the maintenance,
11 care, or feeding of any qualified items of personal
12 property.

13 “(c) EXCEPTION.—Subsection (b) does not apply to
14 the free dissemination of new varieties of seeds and germ
15 plasm in accordance with section 520 of the Revised Stat-
16 utes (commonly known as the ‘Department of Agriculture
17 Organic Act of 1862’) (7 U.S.C. 2201).”.

18 **SEC. 7315. CARBON CYCLE RESEARCH.**

19 (a) IN GENERAL.—To the extent funds are made
20 available, the Secretary shall provide a grant to the Con-
21 sortium for Agricultural Soils Mitigation of Greenhouse
22 Gases, acting through Kansas State University, to de-
23 velop, analyze, and implement, through the land grant uni-
24 versities described in subsection (b), carbon cycle and

1 greenhouse gas management research at the national, re-
2 gional, and local levels.

3 (b) LAND GRANT UNIVERSITIES.—The land grant
4 universities referred to in subsection (a) are—

5 (1) Colorado State University;

6 (2) Iowa State University;

7 (3) Kansas State University;

8 (4) Michigan State University;

9 (5) Montana State University;

10 (6) Purdue University;

11 (7) Ohio State University;

12 (8) Texas A&M University; and

13 (9) University of Nebraska.

14 (c) USE.—Land grant universities described in sub-
15 section (b) shall use funds made available under this sec-
16 tion—

17 (1) to conduct research to improve the scientific
18 basis of using land management practices to in-
19 crease soil carbon sequestration, including research
20 on the use of new technologies to increase carbon
21 cycle effectiveness, such as biotechnology and
22 nanotechnology;

23 (2) to conduct research on management of
24 other greenhouse gases in the agricultural sector;

1 (3) to enter into partnerships to identify, de-
2 velop, and evaluate agricultural best practices, in-
3 cluding partnerships between—

4 (A) Federal, State, or private entities; and

5 (B) the Department of Agriculture;

6 (4) to develop necessary computer models to
7 predict and assess the carbon cycle;

8 (5) to estimate and develop mechanisms to
9 measure carbon levels made available as a result
10 of—

11 (A) voluntary Federal conservation pro-
12 grams;

13 (B) private and Federal forests; and

14 (C) other land uses;

15 (6) to develop outreach programs, in coordina-
16 tion with Extension Services, to share information
17 on carbon cycle and agricultural best practices that
18 is useful to agricultural producers; and

19 (7) to collaborate with the Great Plains Re-
20 gional Earth Science Application Center to develop
21 a space-based carbon cycle remote sensing tech-
22 nology program—

23 (A) to provide, on a near-continual basis,
24 a real-time and comprehensive view of vegeta-
25 tion conditions;

1 (B) to assess and model agricultural car-
2 bon sequestration; and

3 (C) to develop commercial products.

4 (d) COOPERATIVE RESEARCH.—

5 (1) IN GENERAL.—Subject to the availability of
6 appropriations, the Secretary, in cooperation with
7 departments and agencies participating in the U.S.
8 Global Change Research Program and eligible enti-
9 ties, may carry out research to promote under-
10 standing of—

11 (A) the flux of carbon in soils and plants
12 (including trees); and

13 (B) the exchange of other greenhouse
14 gases from agriculture.

15 (2) ELIGIBLE ENTITIES.—Research under this
16 subsection may be carried out through the competi-
17 tive awarding of grants and cooperative agreements
18 to colleges and universities (as defined in section
19 1404 of the National Agricultural Research, Exten-
20 sion, and Teaching Policy Act of 1977 (7 U.S.C.
21 3103)).

22 (3) COOPERATIVE RESEARCH PURPOSES.—Re-
23 search conducted under this subsection shall encour-
24 age collaboration among scientists with expertise in
25 the areas of soil science, agronomy, agricultural eco-

1 nomics, forestry, and other agricultural sciences to
2 focus on—

3 (A) developing data addressing carbon
4 losses and gains in soils and plants (including
5 trees) and the exchange of methane and nitrous
6 oxide from agriculture;

7 (B) understanding how agricultural and
8 forestry practices affect the sequestration of
9 carbon in soils and plants (including trees) and
10 the exchange of other greenhouse gases, includ-
11 ing the effects of new technologies such as bio-
12 technology and nanotechnology;

13 (C) developing cost-effective means of
14 measuring and monitoring changes in carbon
15 pools in soils and plants (including trees), in-
16 cluding computer models;

17 (D) evaluating the linkage between Federal
18 conservation programs and carbon sequestra-
19 tion;

20 (E) developing methods, including remote
21 sensing, to measure the exchange of carbon and
22 other greenhouse gases sequestered, and to
23 evaluate leakage, performance, and permanence
24 issues; and

1 (F) assessing the applicability of the re-
2 sults of research conducted under this sub-
3 section for developing methods to account for
4 the impact of agricultural activities (including
5 forestry) on the exchange of greenhouse gases.

6 (e) EXTENSION PROJECTS.—

7 (1) IN GENERAL.—The Secretary, in coopera-
8 tion with departments and agencies participating in
9 the U.S. Global Change Research Program and local
10 extension agents, experts from institutions of higher
11 education that offer a curriculum in agricultural and
12 biological sciences, and other local agricultural or
13 conservation organizations, may implement extension
14 projects (including on-farm projects with direct in-
15 volvement of agricultural producers) that combine
16 measurement tools and modeling techniques into in-
17 tegrated packages to monitor the carbon seques-
18 tering benefits of conservation practices and the ex-
19 change of greenhouse gas emissions from agriculture
20 that demonstrate the feasibility of methods of meas-
21 uring and monitoring—

22 (A) changes in carbon content and other
23 carbon pools in soils and plants (including
24 trees); and

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1 (B) the exchange of other greenhouse
2 gases.

3 (2) EDUCATION AND OUTREACH.—The Sec-
4 retary shall make available to agricultural producers,
5 private forest landowners, and appropriate State
6 agencies in each State information concerning—

7 (A) the results of projects under this sub-
8 section;

9 (B) the manner in which the methods used
10 in the projects might be applicable to the oper-
11 ations of the agricultural producers, private for-
12 est landowners, and State agencies; and

13 (C) information on how agricultural pro-
14 ducers and private forest landowners can par-
15 ticipate in carbon credit and greenhouse gas
16 trading system.

17 (f) REPEAL.—Section 221 of the Agricultural Risk
18 Protection Act of 2000 (7 U.S.C. 6711) is repealed.

19 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
20 authorized to be appropriated to carry out this section
21 \$15,000,000 for each of fiscal years 2008 through 2012.

1 **Subtitle E—National Institute of**
2 **Food and Agriculture**

3 **SEC. 7401. NATIONAL INSTITUTE OF FOOD AND AGRI-**
4 **CULTURE.**

5 (a) IN GENERAL.—Subtitle F of the Department of
6 Agriculture Reorganization Act of 1994 is amended by
7 adding after section 252 (7 U.S.C. 6972) the following:

8 **“SEC. 253. NATIONAL INSTITUTE OF FOOD AND AGRI-**
9 **CULTURE.**

10 “(a) DEFINITIONS.—In this section:

11 “(1) ADVISORY BOARD.—The term ‘Advisory
12 Board’ means the National Agricultural Research,
13 Extension, Education, and Economics Advisory
14 Board established under section 1408 of the Na-
15 tional Agricultural Research, Extension, and Teach-
16 ing Policy Act of 1977 (7 U.S.C. 3123).

17 “(2) COMPETITIVE PROGRAM.—The term ‘com-
18 petitive program’ means each of the following agri-
19 cultural research, extension, education, and related
20 programs for which the Secretary has administrative
21 or other authority as of the day before the date of
22 enactment of this section:

23 “(A) The competitive grant program estab-
24 lished under section 2(b) of the Competitive,
25 Special, and Facilities Research Grant Act (7

1 U.S.C. 450i(b)), commonly known as the ‘Na-
2 tional Research Initiative Competitive Grants
3 Program’.

4 “(B) The program providing competitive
5 grants for risk management education estab-
6 lished under section 524(a)(3) of the Federal
7 Crop Insurance Act (7 U.S.C. 1524(a)(3)).

8 “(C) The program providing community
9 food project competitive grants established
10 under section 25 of the Food Stamp Act of
11 1977 (7 U.S.C. 2034).

12 “(D) Each grant program established
13 under section 2501 of the Food, Agriculture,
14 Conservation, and Trade Act of 1990 (7 U.S.C.
15 2279) providing outreach and assistance for so-
16 cially disadvantaged farmers and ranchers.

17 “(E) The program providing grants under
18 section 1417(b)(1) of the National Agricultural
19 Research, Extension, and Teaching Policy Act
20 of 1977 (7 U.S.C. 3152(b)(1)), commonly
21 known as ‘Higher Education Challenge Grants’.

22 “(F) The program providing grants and
23 related assistance established under section
24 1417(b)(5) of the National Agricultural Re-
25 search, Extension, and Teaching Policy Act of

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1 1977 (7 U.S.C. 3152(b)(5)) commonly known
2 as the ‘Higher Education Multicultural Schol-
3 ars Program’.

4 “(G) The program providing food and ag-
5 ricultural sciences national needs graduate and
6 postgraduate fellowship grants established
7 under section 1417(b)(6) of the National Agri-
8 cultural Research, Extension, and Teaching
9 Policy Act of 1977 (7 U.S.C. 3152(b)(6)).

10 “(H) The program providing grants under
11 section 1417(j) of the National Agricultural Re-
12 search, Extension, and Teaching Policy Act of
13 1977 (7 U.S.C. 3152(j)), commonly known as
14 ‘Institution Challenge Grants’.

15 “(I) The program providing grants for
16 Hispanic-serving institutions established under
17 section 1455 of the National Agricultural Re-
18 search, Extension, and Teaching Policy Act of
19 1977 (7 U.S.C. 3241).

20 “(J) The program providing competitive
21 grants for international agricultural science and
22 education programs under section 1459A of the
23 National Agricultural Research, Extension, and
24 Teaching Policy Act of 1977 (7 U.S.C. 3292b).

1 “(K) The program of agricultural develop-
2 ment in the American-Pacific region established
3 under section 1473H of the National Agricul-
4 tural Research, Extension, and Teaching Policy
5 Act of 1977.

6 “(L) The research and extension projects
7 carried out under section 1621 of the Food, Ag-
8 riculture, Conservation, and Trade Act of 1990
9 (7 U.S.C. 5811), commonly known as the ‘Sus-
10 tainable Agriculture Research and Education
11 program’.

12 “(M) The biotechnology risk assessment
13 research program established under section
14 1668 of the Food, Agriculture, Conservation,
15 and Trade Act of 1990 (7 U.S.C. 5921).

16 “(N) The organic agriculture research and
17 extension initiative established under section
18 1672B of the Food, Agriculture, Conservation,
19 and Trade Act of 1990 (7 U.S.C. 5925b).

20 “(O) The Initiative for Future Agriculture
21 and Food Systems established under section
22 401 of the Agricultural Research, Extension,
23 and Education Reform Act of 1998 (7 U.S.C.
24 7621).

1 “(P) The integrated research, education,
2 and extension competitive grants program es-
3 tablished under section 406 of the Agricultural
4 Research, Extension, and Education Reform
5 Act of 1998 (7 U.S.C. 7626).

6 “(Q) The Small Business Innovation Re-
7 search Program established under section 9 of
8 the Small Business Act (15 U.S.C. 638).

9 “(R) The specialty crop research initiative
10 under section 412 of the Agricultural Research,
11 Extension, and Education Reform Act of 1998.

12 “(S) The administration and management
13 of the regional bioenergy crop research program
14 carried out under section 9012 of the Farm Se-
15 curity and Rural Investment Act of 2002.

16 “(T) Other programs, including any pro-
17 grams added by amendments made by title VII
18 of the Food and Energy Security Act of 2007
19 that are competitive programs, as determined
20 by the Secretary.

21 “(3) DIRECTOR.—The term ‘Director’ means
22 the Director of the Institute.

23 “(4) INFRASTRUCTURE PROGRAM.—The term
24 ‘infrastructure program’ means each of the following
25 agricultural research, extension, education, and re-

1 lated programs for which the Secretary has adminis-
2 trative or other authority as of the day before the
3 date of enactment of this section:

4 “(A) Each program providing funding to
5 any of the 1994 Institutions under sections
6 533, 534(a), and 535 of the Equity in Edu-
7 cational Land-Grant Status Act of 1994 (7
8 U.S.C. 301 note; Public Law 103–382) (com-
9 monly known as ‘financial assistance, technical
10 assistance, and endowments to tribal colleges
11 and Navajo Community College’).

12 “(B) The program established under sec-
13 tion 536 of the Equity in Educational Land-
14 Grant Status Act of 1994 (7 U.S.C. 301 note;
15 Public Law 103–382) providing research grants
16 for 1994 institutions.

17 “(C) Each program established under sub-
18 sections (b), (c), and (d) of section 3 of the
19 Smith-Lever Act (7 U.S.C. 343).

20 “(D) Each program established under the
21 Hatch Act of 1887 (7 U.S.C. 361a et seq.).

22 “(E) Each program established under sec-
23 tion 1417(b)(4) of the National Agricultural
24 Research, Extension, and Teaching Policy Act
25 of 1977 (7 U.S.C. 3152(b)(4)), including grant

1 programs under that section (commonly known
2 as the ‘1890 Institution Teaching and Research
3 Capacity Building Grants Program’).

4 “(F) The animal health and disease re-
5 search program established under subtitle E of
6 the National Agricultural Research, Extension,
7 and Teaching Policy Act of 1977 (7 U.S.C.
8 3191 et seq.).

9 “(G) Each extension program available to
10 1890 Institutions established under sections
11 1444 and 1464 of the National Agricultural Re-
12 search, Extension, and Teaching Policy Act of
13 1977 (7 U.S.C. 3221, 3312).

14 “(H) The program established under sec-
15 tion 1445 of the National Agricultural Re-
16 search, Extension, and Teaching Policy Act of
17 1977 (7 U.S.C. 3222) (commonly known as the
18 ‘Evans-Allen Program’).

19 “(I) The program providing grants to up-
20 grade agricultural and food sciences facilities at
21 1890 Institutions established under section
22 1447 of the National Agricultural Research,
23 Extension, and Teaching Policy Act of 1977 (7
24 U.S.C. 3222b).

1 “(J) The program providing distance edu-
2 cation grants for insular areas established
3 under section 1490 of the National Agricultural
4 Research, Extension, and Teaching Policy Act
5 of 1977 (7 U.S.C. 3362).

6 “(K) The program providing resident in-
7 struction grants for insular areas established
8 under section 1491 of the National Agricultural
9 Research, Extension, and Teaching Policy Act
10 of 1977 (7 U.S.C. 3363).

11 “(L) Each program available to 1890 In-
12 stitutions established under section 406 of the
13 Agricultural Research, Extension, and Edu-
14 cation Reform Act of 1998 (7 U.S.C. 7626).

15 “(M) The program providing competitive
16 extension grants to eligible 1994 Institutions
17 under section 1464 of National Agricultural Re-
18 search, Extension, and Teaching Policy Act of
19 1977 (7 U.S.C. 3312) and the Equity in Edu-
20 cational Land-Grant Status Act of 1994 (Public
21 Law 103–382; 7 U.S.C. 301 note) established
22 under section 406 of the Agricultural Research,
23 Extension, and Education Reform Act of 1998
24 (7 U.S.C. 7626).

1 “(N) Each research and development and
2 related program established under Public Law
3 87–788 (commonly known as the ‘McIntire-
4 Stennis Cooperative Forestry Act’) (16 U.S.C.
5 582a et seq.).

6 “(O) Each program established under the
7 Renewable Resources Extension Act of 1978
8 (16 U.S.C. 1671 et seq.).

9 “(P) Each program providing funding to
10 Hispanic-serving agricultural colleges under sec-
11 tion 1456 of the National Agricultural Re-
12 search, Extension and Teaching Policy Act of
13 1977.

14 “(Q) The administration and management
15 of the farm energy education and technical as-
16 sistance program carried out under section
17 9005 of the Farm Security and Rural Invest-
18 ment Act of 2002.

19 “(R) Other programs, including any pro-
20 grams added by amendments made by title VII
21 of the Food and Energy Security Act of 2007
22 that are infrastructure programs, as determined
23 by the Secretary.

1 “(5) INSTITUTE.—The term ‘Institute’ means
2 the National Institute of Food and Agriculture es-
3 tablished by subsection (b)(1)(A).

4 “(b) ESTABLISHMENT OF NATIONAL INSTITUTE FOR
5 FOOD AND AGRICULTURE.—

6 “(1) ESTABLISHMENT.—

7 “(A) IN GENERAL.—There is established
8 within the Department an agency to be known
9 as the ‘National Institute of Food and Agri-
10 culture’.

11 “(B) LOCATION.—The location of the In-
12 stitute shall be in Washington, District of Co-
13 lumbia, as determined by the Secretary.

14 “(C) MEMBERS.—The Institute shall con-
15 sist of—

16 “(i) the Director;

17 “(ii) the individual offices established
18 under subsection (e); and

19 “(iii) the staff and employees of Na-
20 tional Institute for Food and Agriculture.

21 “(2) TRANSFER OF AUTHORITIES.—There are
22 transferred to the Institute the authorities (including
23 all budget authorities and personnel), duties, obliga-
24 tions, and related legal and administrative functions
25 prescribed by law or otherwise granted to the Sec-

1 retary, the Department, or any other agency or offi-
2 cial of the Department under—

3 “(A) the infrastructure programs;

4 “(B) the competitive programs;

5 “(C) the research, education, economic, co-
6 operative State research programs, cooperative
7 extension and education programs, international
8 programs, and other functions and authorities
9 delegated by the Secretary to the Administrator
10 of the Cooperative State Research, Education,
11 and Extension Service pursuant to section 2.66
12 of title 7, Code of Federal Regulations (or suc-
13 cessor regulations); and

14 “(D) any and all other authorities adminis-
15 tered by the Administrator of the Cooperative
16 State Research, Education, and Extension Serv-
17 ice.

18 “(3) CONSOLIDATION OF AUTHORITIES.—To
19 carry out this Act, in accordance with the transfer
20 and continuation of the authorities, budgetary func-
21 tions, and personnel resources under this subsection,
22 the administrative entity within the Department
23 known as the Cooperative State Research, Edu-
24 cation, and Extension Service shall terminate on the
25 earlier of—

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1 “(A) October 1, 2008; or

2 “(B) such earlier date as the Director de-
3 termines to be appropriate.

4 “(c) DIRECTOR.—

5 “(1) IN GENERAL.—The Institute shall be
6 headed by a Director, who shall be an individual who
7 is—

8 “(A) a distinguished scientist; and

9 “(B) appointed by the President, by and
10 with the advice and consent of the Senate.

11 “(2) TERM.—The Director shall serve for a sin-
12 gle, 6-year term.

13 “(3) SUPERVISION.—The Director shall report
14 directly to the Secretary.

15 “(4) COMPENSATION.—The Director shall re-
16 ceive basic pay at the rate provided for level II of
17 the Executive Schedule under section 5513 of title
18 5, United States Code.

19 “(5) AUTHORITY AND RESPONSIBILITIES OF DI-
20 RECTOR.—

21 “(A) IN GENERAL.—Except as otherwise
22 specifically provided in this section, the Director
23 shall—

24 “(i) exercise all of the authority pro-
25 vided to the Institute by this section;

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1 “(ii) formulate programs in accord-
2 ance with policies adopted by the Institute;

3 “(iii) establish offices within the Insti-
4 tute;

5 “(iv) establish procedures for the peer
6 review of research funded by the Institute;

7 “(v) establish procedures for the pro-
8 vision and administration of grants by the
9 Institute in accordance with this section;

10 “(vi) assess the personnel needs of ag-
11 ricultural research in the areas supported
12 by the Institute, and, if determined to be
13 appropriate by the Director, for other
14 areas of food and agricultural research;

15 “(vii) plan programs that will help
16 meet agricultural personnel needs in the
17 future, including portable fellowship and
18 training programs in fundamental agricul-
19 tural research and fundamental science;
20 and

21 “(viii) consult regularly with the Na-
22 tional Agricultural Research, Extension,
23 Education, and Economics Advisory
24 Board.

1 “(B) FINALITY OF ACTIONS.—An action
2 taken by the Director in accordance with this
3 section shall be final and binding upon the In-
4 stitute.

5 “(C) DELEGATION AND REDELEGATION OF
6 FUNCTIONS.—

7 “(i) IN GENERAL.—Except as pro-
8 vided in clause (ii), the Director may, from
9 time to time and as the Director considers
10 to be appropriate, authorize the perform-
11 ance by any other officer, agency, or em-
12 ployee of the Institute of any of the func-
13 tions of the Director under this section.

14 “(ii) CONTRACTS, GRANTS, AND
15 OTHER ARRANGEMENTS.—The Director
16 may enter into contracts and other ar-
17 rangements, and provide grants, in accord-
18 ance with this section.

19 “(iii) FORMULATION OF PROGRAMS.—
20 The formulation of programs in accordance
21 with the policies of the Institute shall be
22 carried out by the Director.

23 “(6) STAFF.—The Director shall recruit and
24 hire such senior staff and other personnel as are

1 necessary to assist the Director in carrying out this
2 section.

3 “(7) REPORTING AND CONSULTATION.—The
4 Director shall—

5 “(A) periodically report to the Secretary
6 with respect to activities carried out by the In-
7 stitute; and

8 “(B) consult regularly with the Secretary
9 to ensure, to the maximum extent practicable,
10 that—

11 “(i) research of the Institute is rel-
12 evant to agriculture in the United States
13 and otherwise serves the national interest;
14 and

15 “(ii) the research of the Institute sup-
16 plements and enhances, and does not re-
17 place, research conducted or funded by—

18 “(I) other agencies of the De-
19 partment;

20 “(II) the National Science Foun-
21 dation; or

22 “(III) the National Institutes of
23 Health.

24 “(d) POWERS.—

1 “(1) IN GENERAL.—The Institute shall have
2 such authority as is necessary to carry out this sec-
3 tion, including the authority—

4 “(A) to promulgate such regulations as the
5 Institute considers to be necessary for govern-
6 ance of operations, organization, and personnel;

7 “(B) to make such expenditures as are
8 necessary to carry out this section;

9 “(C) to enter into contracts or other ar-
10 rangements, or modifications of contracts or
11 other arrangements—

12 “(i) to provide for the conduct, by or-
13 ganizations or individuals in the United
14 States (including other agencies of the De-
15 partment, Federal agencies, and agencies
16 of foreign countries), of such agricultural
17 research or related activities as the Insti-
18 tute considers to be necessary to carry out
19 this section; and

20 “(ii) for the conduct of such specific
21 agricultural research as is in the national
22 interest or is otherwise of critical impor-
23 tance, as determined by the Secretary,
24 with the concurrence of the Institute;

1 “(D) to make advance, progress, and other
2 payments relating to research and scientific ac-
3 tivities without regard to subsections (a) and
4 (b) of section 3324 of title 31, United States
5 Code;

6 “(E) to receive and use donated funds, if
7 the funds are donated without restriction other
8 than that the funds be used in furtherance of
9 1 or more of the purposes of the Institute;

10 “(F) to publish or arrange for the publica-
11 tion of research and scientific information to
12 further the full dissemination of information of
13 scientific value consistent with the national in-
14 terest, without regard to section 501 of title 44,
15 United States Code;

16 “(G)(i) to accept and use the services of
17 voluntary and uncompensated personnel; and

18 “(ii) to provide such transportation and
19 subsistence as are authorized by section 5703
20 of title 5, United States Code, for individuals
21 serving without compensation;

22 “(H) to prescribe, with the approval of the
23 Comptroller General of the United States, the
24 extent to which vouchers for funds expended
25 under contracts for scientific or engineering re-

1 search shall be subject to itemization or sub-
2 stantiation prior to payment, without regard to
3 the limitations of other laws relating to the ex-
4 penditure and accounting of public funds;

5 “(I) to reimburse the Secretary, and the
6 heads of other Federal agencies, for the per-
7 formance of any activity that the Institute is
8 authorized to conduct; and

9 “(J) to enter into contracts, at the request
10 of the Secretary, for the carrying out of such
11 specific agricultural research as is in the na-
12 tional interest or otherwise of critical impor-
13 tance, as determined by the Secretary, with the
14 consent of the Institute.

15 “(2) TRANSFER OF RESEARCH FUNDS OF
16 OTHER DEPARTMENTS OR AGENCIES.—Funds avail-
17 able to the Secretary, or any other department or
18 agency of the Federal Government, for agricultural
19 or scientific research shall be—

20 “(A) available for transfer, with the ap-
21 proval of the Secretary or the head of the other
22 appropriate department or agency involved, in
23 whole or in part, to the Institute for use in pro-
24 viding grants in accordance with the purposes
25 for which the funds were made available; and

1 “(B) if so transferred, expendable by the
2 Institute for those purposes.

3 “(e) OFFICES.—

4 “(1) ESTABLISHMENT OF OFFICES.—

5 “(A) OFFICE OF THE AGRICULTURAL RE-
6 SEARCH, EXTENSION, AND EDUCATION NET-
7 WORK.—

8 “(i) ESTABLISHMENT.—The Director
9 shall establish within the Institute an Of-
10 fice of the Agricultural Research, Exten-
11 sion, and Education Network (referred to
12 in this subparagraph as the ‘Office’).

13 “(ii) DUTIES.—At the discretion of
14 the Director, the Office shall have respon-
15 sibility for all infrastructure programs.

16 “(B) OFFICE OF COMPETITIVE PROGRAMS
17 FOR FUNDAMENTAL RESEARCH.—

18 “(i) DEFINITION OF FUNDAMENTAL
19 RESEARCH.—In this subparagraph, the
20 term ‘fundamental research’ means re-
21 search that—

22 “(I) is directed toward greater
23 knowledge or understanding of the
24 fundamental aspects of phenomena

1020

1 and has the potential for broad, rath-
2 er than specific, application; and

3 “(II) has an effect on agri-
4 culture, food, nutrition, human health,
5 or another purpose of this section.

6 “(ii) ESTABLISHMENT.—The Director
7 shall establish within the Institute an Of-
8 fice of Competitive Programs for Funda-
9 mental Research (referred to in this sub-
10 paragraph as the ‘Office’).

11 “(iii) DUTIES.—At the discretion of
12 the Director, the Office shall have respon-
13 sibility for all competitive programs relat-
14 ing to fundamental research.

15 “(C) OFFICE OF COMPETITIVE PROGRAMS
16 FOR APPLIED RESEARCH.—

17 “(i) DEFINITION OF APPLIED RE-
18 SEARCH.—In this subparagraph, the term
19 ‘applied research’ means research that ex-
20 pands on the findings of fundamental re-
21 search to uncover practical ways in which
22 new knowledge can be advanced to benefit
23 individuals and society.

24 “(ii) ESTABLISHMENT.—The Director
25 shall establish within the Institute an Of-

1 fice of Competitive Programs for Applied
2 Research (referred to in this subparagraph
3 as the ‘Office’).

4 “(iii) DUTIES.—At the discretion of
5 the Director, the Office shall have respon-
6 sibility for all competitive programs relat-
7 ing to applied research.

8 “(D) OFFICE OF COMPETITIVE PROGRAMS
9 FOR EDUCATION AND OTHER PURPOSES.—

10 “(i) ESTABLISHMENT.—The Director
11 shall establish within the Institute an Of-
12 fice of Competitive Programs for Edu-
13 cation and Other Purposes (referred to in
14 this subparagraph as the ‘Office’)

15 “(ii) DUTIES.—At the discretion of
16 the Director, the Office shall have respon-
17 sibility for all competitive programs that
18 provide education fellowships and other
19 education-related grants.

20 “(2) COMPETITIVE PROGRAMS FOR FUNDA-
21 MENTAL AND APPLIED RESEARCH.—

22 “(A) DEFINITION OF A COMPETITIVE PRO-
23 GRAM FOR FUNDAMENTAL AND APPLIED RE-
24 SEARCH.—In this paragraph, the term ‘com-

1 petitive program for fundamental and applied
2 research’ means—

3 “(i) the competitive grant program es-
4 tablished under section 2 of the Competi-
5 tive, Special, and Facilities Research Grant
6 Act (7 U.S.C. 450i), commonly known as
7 the ‘National Research Initiative Competi-
8 tive Grants Program’; and

9 “(ii) any other competitive program
10 within the Institute that funds both funda-
11 mental and applied research, as deter-
12 mined by the Director.

13 “(B) PROGRAM ALLOCATIONS.—For pur-
14 poses of determining which Office established
15 under paragraph (1) should have primary re-
16 sponsibility for administering grants under a
17 competitive program for fundamental and ap-
18 plied research, the Director shall—

19 “(i) determine whether the grant
20 under the competitive program for funda-
21 mental and applied research is principally
22 related to fundamental or applied research;
23 and

24 “(ii) assign the grant to the appro-
25 priate Office.

1 “(3) RESPONSIBILITY OF THE DIRECTOR.—The
2 Director shall ensure that the Offices established
3 under paragraph (1) coordinate with each other Of-
4 fice for maximum efficiency.

5 “(f) REPORTING.—The Director shall submit to the
6 Secretary, the Committee on Agriculture and the Com-
7 mittee on Appropriations of the House of Representatives,
8 and the Committee on Agriculture, Nutrition, and For-
9 estry and the Committee on Appropriations of the Sen-
10 ate—

11 “(1) not later than 1 year after the date of es-
12 tablishment of the Institute, and biennially there-
13 after, a comprehensive report that—

14 “(A) describes the research funded and
15 other activities carried out by the Institute dur-
16 ing the period covered by the report; and

17 “(B) describes each contract or other ar-
18 rangement that the Institute has entered into,
19 each grant awarded to the Institute, and each
20 other action of the Director taken, under sub-
21 section (c)(5)(C)(ii); and

22 “(2) not later than 1 year after the date of es-
23 tablishment of the Institute, and annually thereafter,
24 a report that describes the allocation and use of
25 funds under subsection (g)(2) of section 401 of the

1 Agricultural Research, Extension, and Education
2 Reform Act of 1998 (7 U.S.C. 7621).

3 “(g) FUNDING.—

4 “(1) IN GENERAL.—In addition to funds other-
5 wise appropriated to carry out each program admin-
6 istered by the Institute, there are authorized to be
7 appropriated such sums as are necessary to carry
8 out this section for each fiscal year.

9 “(2) ALLOCATION.—Funding made available
10 under paragraph (1) shall be allocated according to
11 recommendations contained in the roadmap de-
12 scribed in section 309(c)(1)(A).”.

13 (b) NATIONAL AGRICULTURAL RESEARCH, EXTEN-
14 SION, AND TEACHING POLICY ACT OF 1977.—Section
15 1408(b) of the National Agricultural Research, Extension,
16 and Teaching Policy Act of 1977 (7 U.S.C. 3123(b)) is
17 amended—

18 (1) in paragraph (1), by striking “31 members”
19 and inserting “24 members”;

20 (2) by striking paragraph (3) and inserting the
21 following:

22 “(3) MEMBERSHIP CATEGORIES.—The Advisory
23 Board shall consist of members from each of the fol-
24 lowing categories:

1 “(A) 1 member representing a national
2 farm organization.

3 “(B) 1 member representing farm coopera-
4 tives.

5 “(C) 1 member actively engaged in the
6 production of a food animal commodity.

7 “(D) 1 member actively engaged in the
8 production of a plant commodity.

9 “(E) 1 member actively engaged in aqua-
10 culture.

11 “(F) 1 member representing a national
12 food animal science society.

13 “(G) 1 member representing a national
14 crop, soil, agronomy, horticulture, plant pathol-
15 ogy, or weed science society.

16 “(H) 1 member representing a national
17 food science organization.

18 “(I) 1 member representing a national
19 human health association.

20 “(J) 1 member representing a national nu-
21 tritional science society.

22 “(K) 1 member representing the land-
23 grant colleges and universities eligible to receive
24 funds under the Act of July 2, 1862 (7 U.S.C.
25 301 et seq.).

1 “(L) 1 member representing the land-
2 grant colleges and universities eligible to receive
3 funds under the Act of August 30, 1890 (7
4 U.S.C. 321 et seq.), including Tuskegee Univer-
5 sity.

6 “(M) 1 member representing the 1994 In-
7 stitutions (as defined in section 532 of the Eq-
8 uity in Educational Land-Grant Status Act of
9 1994 (Public Law 103–382; 7 U.S.C. 301
10 note)).

11 “(N) 1 member representing Hispanic-
12 serving institutions.

13 “(O) 1 member representing the American
14 Colleges of Veterinary Medicine.

15 “(P) 1 member engaged in the transpor-
16 tation of food and agricultural products to do-
17 mestic and foreign markets.

18 “(Q) 1 member representing food retailing
19 and marketing interests.

20 “(R) 1 member representing food and fiber
21 processors.

22 “(S) 1 member actively engaged in rural
23 economic development.

24 “(T) 1 member representing a national
25 consumer interest group.

1 “(U) 1 member representing a national
2 forestry group.

3 “(V) 1 member representing a national
4 conservation or natural resource group.

5 “(W) 1 member representing private sector
6 organizations involved in international develop-
7 ment.

8 “(X) 1 member representing a national so-
9 cial science association.”; and

10 (3) in paragraph (4), by striking “the Adminis-
11 trator of the Cooperative State Research, Education,
12 and Extension Service” and inserting “the Director
13 of the National Institute of Food and Agriculture”.

14 (c) CONFORMING AMENDMENTS.—

15 (1) Section 296(b) of the Department of Agri-
16 culture Reorganization Act of 1994 (7 U.S.C.
17 7014(b)) is amended—

18 (A) in paragraph (4), by striking “or” at
19 the end;

20 (B) in paragraph (5), by striking the pe-
21 riod at the end and inserting a semicolon; and

22 (C) by adding at the end the following:

23 “(6) the authority of the Secretary relating to
24 the National Institute of Food and Agriculture
25 under section 253; or”.

1 (2) The National Agricultural Research, Exten-
2 sion, and Teaching Policy Act of 1977 is amended—

3 (A) in section 1424A(b) (7 U.S.C.
4 3174a(b)), by striking “the Cooperative State
5 Research, Education, and Extension Service”
6 and inserting “the National Institute of Food
7 and Agriculture”; and

8 (B) in section 1458(a)(10) (7 U.S.C.
9 3291(a)(10)), by striking “the Cooperative
10 State Research, Education, and Extension Serv-
11 ice” and inserting “the National Institute of
12 Food and Agriculture”.

13 (3) Section 522(d)(2) of the Federal Crop In-
14 surance Act (7 U.S.C. 1522(d)(2)) is amended by
15 striking “the Cooperative State Research, Edu-
16 cation, and Extension Service” and inserting “the
17 National Institute of Food and Agriculture”.

18 (4) Section 524(a) of the Federal Crop Insur-
19 ance Act (7 U.S.C. 1524(a)) is amended in each of
20 paragraphs (1)(B) and (3)(A) by striking “the Co-
21 operative State Research, Education, and Extension
22 Service” each place it appears and inserting “the
23 National Institute of Food and Agriculture”.

24 (5) Section 306(a)(11)(C) of the Consolidated
25 Farm and Rural Development Act (7 U.S.C.

1 1926(a)(11)(C)) is amended by striking “the Coop-
2 erative State Research, Education, and Extension
3 Service” and inserting “the National Institute of
4 Food and Agriculture”.

5 (6) Section 704 of the Agriculture, Rural De-
6 velopment, Food and Drug Administration, and Re-
7 lated Agencies Appropriations Act, 2006 (7 U.S.C.
8 2209b), is amended by striking “Cooperative State
9 Research, Education, and Extension Service” and
10 inserting “the National Institute of Food and Agri-
11 culture”.

12 (7) Section 7404(b)(1)(B) of the Farm Security
13 and Rural Investment Act of 2002 (7 U.S.C. 3101
14 note; Public Law 107–171) is amended by striking
15 clause (vi) and inserting the following:

16 “(vi) the National Institute of Food
17 and Agriculture.”.

18 (8) Section 1499(c) of the Food, Agriculture,
19 Conservation, and Trade Act of 1990 (7 U.S.C.
20 5506(c)) is amended by striking “the Cooperative
21 State Research Service” and inserting “the National
22 Institute of Food and Agriculture”.

23 (9) Section 1622 of the Food, Agriculture, Con-
24 servation, and Trade Act of 1990 (7 U.S.C. 5812)
25 is amended—

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1 (A) in subsection (a)(1), by striking “the
2 Cooperative State Research Service” and insert-
3 ing “the National Institute of Food and Agri-
4 culture”; and

5 (B) in subsection (b)(1), by striking sub-
6 paragraph (B) and inserting the following:

7 “(B) the National Institute of Food and
8 Agriculture;”.

9 (10) Section 1668(b) of the Food, Agriculture,
10 Conservation, and Trade Act of 1990 (7 U.S.C.
11 5921(b)) is amended by striking “Cooperative State
12 Research, Education, and Extension Service and the
13 Agricultural Research Service” and inserting “the
14 National Institute of Food and Agriculture”.

15 (11) Section 1670(a)(4) of the Food, Agri-
16 culture, Conservation, and Trade Act of 1990 (7
17 U.S.C. 5923(a)(4)) is amended by striking “the Ad-
18 ministrator of the Cooperative State Research, Edu-
19 cation, and Extension Service” and inserting “the
20 Director of the National Institute of Food and Agri-
21 culture”.

22 (12) Section 537 of the Federal Agriculture Im-
23 provement and Reform Act of 1996 (7 U.S.C. 7446)
24 is amended in each of subsections (a)(2) and
25 (b)(3)(B)(i) by striking “Cooperative State Re-

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1 search, Education, and Extension Service” and in-
2 serting “the National Institute of Food and Agri-
3 culture”.

4 (13) Section 103(a) of the Agricultural Re-
5 search, Extension, and Education Reform Act of
6 1998 (7 U.S.C. 7613(a)) is amended—

7 (A) in the subsection heading, by striking
8 “COOPERATIVE STATE RESEARCH, EDUCATION,
9 AND EXTENSION SERVICE” and inserting “NA-
10 TIONAL INSTITUTE OF FOOD AND AGRI-
11 CULTURE”; and

12 (B) in each of paragraphs (1) and (2)(A),
13 by striking “the Cooperative State Research,
14 Education, and Extension Service” and insert-
15 ing “the National Institute of Food and Agri-
16 culture”.

17 (14) Section 401(f)(5) of the Agricultural Re-
18 search, Extension, and Education Reform Act of
19 1998 (7 U.S.C. 7621(f)(5)) is amended by striking
20 “the Cooperative State Research, Education, and
21 Extension Service” and inserting “the National In-
22 stitute of Food and Agriculture”.

23 (15) Section 407(c) of the Agricultural Re-
24 search, Extension, and Education Reform Act of
25 1998 (7 U.S.C. 7627(c)) is amended by striking

1 “the Cooperative State Research, Education, and
2 Extension Service” and inserting “the National In-
3 stitute of Food and Agriculture”.

4 (16) Section 410(a) of the Agricultural Re-
5 search, Extension, and Education Reform Act of
6 1998 (7 U.S.C. 7630(a)) is amended by striking
7 “the Administrator of the Cooperative State Re-
8 search, Education, and Extension Service” and in-
9 serting “the Director of the National Institute of
10 Food and Agriculture”.

11 (17) Section 307(g)(5) of the Agricultural Risk
12 Protection Act of 2000 (7 U.S.C. 8606(g)(5)) is
13 amended by striking “Administrator of the Coopera-
14 tive State Research, Education, and Extension Serv-
15 ice” and inserting “the Director of the National In-
16 stitute of Food and Agriculture”.

17 (18) Section 6(b) of the Cooperative Forestry
18 Assistance Act of 1978 (16 U.S.C. 2103b(b)) is
19 amended by striking “the Cooperative State Re-
20 search, Education, and Extension Service, may pro-
21 vide technical, financial, and related assistance to
22 State foresters, equivalent State officials, or Cooper-
23 ative Extension officials” and inserting “the Na-
24 tional Institute of Food and Agriculture, may pro-
25 vide technical, financial and related assistance to

1 State foresters, equivalent State officials, and Insti-
2 tute officials”.

3 (19) Section 19 of the Cooperative Forestry As-
4 sistance Act of 1978 (16 U.S.C. 2113) is amended
5 in subsections (a)(2) and (b)(1)(B)(i), by striking
6 “Extension Service,” each place it appears and in-
7 serting “National Institute of Food and Agri-
8 culture,”.

9 (20) Section 105(a) of the Africa: Seeds of
10 Hope Act of 1998 (22 U.S.C. 2293 note; Public Law
11 105–385) is amended by striking “the Cooperative
12 State Research, Education, and Extension Service
13 (CSREES)” and inserting “the National Institute of
14 Food and Agriculture”.

15 (21) Section 307(a)(4) of the National Aero-
16 nautic and Space Administration Authorization Act
17 of 2005 (42 U.S.C. 16657(a)(4)) is amended by
18 striking subparagraph (B) and inserting the fol-
19 lowing:

20 “(B) the program and structure of, peer
21 review process of, management of conflicts of
22 interest by, compensation of reviewers of, and
23 the effects of compensation on reviewer effi-
24 ciency and quality within, the National Institute

1 of Food and Agriculture of the Department of
2 Agriculture;”.

3 **SEC. 7402. COORDINATION OF AGRICULTURAL RESEARCH**
4 **SERVICE AND NATIONAL INSTITUTE OF FOOD**
5 **AND AGRICULTURE.**

6 Title III of the Department of Agriculture Reorga-
7 nization Act of 1994 is amended by adding after section
8 308 (as added by section 7314) the following:

9 **“SEC. 309. COORDINATION OF AGRICULTURAL RESEARCH**
10 **SERVICE AND NATIONAL INSTITUTE OF FOOD**
11 **AND AGRICULTURE.**

12 “(a) IN GENERAL.—The Undersecretary for Re-
13 search, Education, and Economics shall coordinate the
14 programs under the authority of the Administrator of the
15 Agricultural Research Service and the Director of the Na-
16 tional Institute of Food and Agriculture, and the staff of
17 the Administrator and the Director, including national
18 program leaders, shall meet on a regular basis to—

19 “(1) increase coordination and integration of
20 research programs at the Agricultural Research
21 Service and the research, extension, and education
22 programs of the National Institute of Food and Ag-
23 riculture;

24 “(2) coordinate responses to emerging issues;

1 “(3) minimize duplication of work and re-
2 sources at the staff level of each agency;

3 “(4) use the extension and education program
4 to deliver knowledge to stakeholders;

5 “(5) address critical needs facing agriculture;
6 and

7 “(6) focus the research, extension, and edu-
8 cation funding strategy of the Department.

9 “(b) REPORTS.—Not later than 270 days after the
10 date of enactment of this section, and annually thereafter,
11 the Secretary shall submit to the Committee on Agri-
12 culture of the House of Representatives and the Com-
13 mittee on Agriculture, Nutrition, and Forestry of the Sen-
14 ate a report describing efforts to increase coordination be-
15 tween the Agricultural Research Service and the National
16 Institute for Food and Agriculture.

17 “(c) ROADMAP.—

18 “(1) IN GENERAL.—Not later than 180 days
19 after the date of enactment of this section, the Sec-
20 retary, acting through the Under Secretary for Re-
21 search, Education, and Economics shall—

22 “(A) prepare a roadmap for agricultural
23 research, extension, and education that—

24 “(i) identifies major opportunities and
25 gaps in agricultural research, extension,

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1 and education that no single entity in the
2 Department would be able to carry out in-
3 dividually, but that is necessary to carry
4 out agricultural research;

5 “(ii) involves—

6 “(I) stakeholders from across the
7 Federal Government;

8 “(II) stakeholders from across
9 the full array of nongovernmental en-
10 tities; and

11 “(III) the National Agricultural
12 Research, Extension, Education, and
13 Economics Advisory Board established
14 under section 1408 of the National
15 Agricultural Research, Extension, and
16 Teaching Policy Act of 1977 (7
17 U.S.C. 3123);

18 “(iii) incorporates roadmaps for agri-
19 cultural research made publicly available
20 by other Federal entities, agencies, or of-
21 fices; and

22 “(iv) describes recommended funding
23 levels for areas of agricultural research, ex-
24 tension, and education, including—

25 “(I) competitive programs; and

1 “(II) infrastructure programs,
2 with attention to the future growth
3 needs of small 1862 Institutions,
4 1890 Institutions, and 1994 Institu-
5 tions (as those terms are defined in
6 section 2 of the Agricultural Re-
7 search, Extension, and Education Re-
8 form Act of 1998 (7 U.S.C. 7601)),
9 Hispanic-serving agricultural colleges
10 (as defined in section 1456(a) of the
11 National Agricultural Research, Ex-
12 tension and Teaching Policy Act of
13 1977), and any other public college or
14 university that is not such an institu-
15 tion or college but that offers a bacca-
16 laureate or higher degree in the study
17 of agriculture;

18 “(B) use the roadmap to set the research,
19 extension, and education agenda of the Depart-
20 ment; and

21 “(C) submit a description of the roadmap
22 to the Committee on Agriculture of the House
23 of Representatives and the Committee on Agri-
24 culture, Nutrition, and Forestry of the Senate.

1 “(2) IMPLEMENTATION.—The Secretary, acting
2 through the Under Secretary, shall implement, to
3 the maximum extent practicable, the roadmap.

4 “(3) FUNDING.—There are authorized to be ap-
5 propriated such sums as are necessary to carry out
6 this subsection.”.

7 **Subtitle F—Miscellaneous**

8 **SEC. 7501. JOINT NUTRITION MONITORING AND RELATED**
9 **RESEARCH ACTIVITIES.**

10 The Secretary and the Secretary of Health and
11 Human Services shall continue to provide jointly for na-
12 tional nutrition monitoring and related research activities
13 carried out as of the date of enactment of this Act—

14 (1) to collect continuous data relating to diet,
15 health, physical activity, and knowledge about diet
16 and health, using a nationally-representative sample;

17 (2) to periodically collect data described in
18 paragraph (1) on special at-risk populations, as
19 identified by the Secretaries;

20 (3) to distribute information on health, nutri-
21 tion, the environment, and physical activity to the
22 public in a timely manner;

23 (4) to analyze new data as the data becomes
24 available;

1 (5) to continuously update food composition ta-
2 bles; and

3 (6) to research and develop data collection
4 methods and standards.

5 **SEC. 7502. DEMONSTRATION PROJECT AUTHORITY FOR**
6 **TEMPORARY POSITIONS.**

7 Notwithstanding section 4703(d)(1) of title 5, United
8 States Code, the amendment to the personnel manage-
9 ment demonstration project established in the Department
10 of Agriculture (67 Fed. Reg. 70776 (2002)), shall become
11 effective upon the date of enactment of this Act and shall
12 remain in effect unless modified by law.

13 **SEC. 7503. REVIEW OF PLAN OF WORK REQUIREMENTS.**

14 (a) REVIEW.—The Secretary of Agriculture (referred
15 to in this section as the “Secretary”) shall work with uni-
16 versity partners in extension and research to review and
17 identify measures to streamline the submission, reporting
18 under, and implementation of plan of work requirements
19 including requirements under—

20 (1) sections 1444(d) and 1445(c) of the Na-
21 tional Agricultural Research, Extension, and Teach-
22 ing Policy Act of 1977 (7 U.S.C. 3221(d), 3222(c));

23 (2) section 7 of the Hatch Act of 1887 (7
24 U.S.C. 361g); and

1 (3) section 4 of the Smith-Lever Act (7 U.S.C.
2 344).

3 (b) REPORT.—

4 (1) IN GENERAL.—Not later than 180 days
5 after the date of enactment of this Act, the Sec-
6 retary shall submit to the Committee on Agriculture
7 of the House of Representatives and the Committee
8 on Agriculture, Nutrition, and Forestry of the Sen-
9 ate a report describing the results of the review con-
10 ducted under subsection (a).

11 (2) INCLUSIONS.—The report shall include rec-
12 ommendations—

13 (A) to reduce the administrative burden
14 and workload on institutions associated with
15 plan of work compliance while meeting the re-
16 porting needs of the Department of Agriculture
17 for input, output, and outcome indicators;

18 (B) to streamline the submission and re-
19 porting requirements of the plan of work so
20 that the plan of work is of practical utility to
21 both the Department of Agriculture and the in-
22 stitutions; and

23 (C) for any legislative changes necessary to
24 carry out the plan of work improvements.

1 (c) CONSULTATION.—In carrying out this section, the
2 Secretary shall consult with land-grant colleges and uni-
3 versities (as defined in section 1404 of the National Agri-
4 cultural Research, Extension, and Teaching Policy Act of
5 1977 (7 U.S.C. 3103)).

6 **SEC. 7504. STUDY AND REPORT ON ACCESS TO NUTRITIOUS**
7 **FOODS.**

8 (a) IN GENERAL.—The Secretary shall carry out a
9 study of, and prepare a report on, areas in the United
10 States with limited access to affordable and nutritious
11 food, with a particular focus on predominantly lower-in-
12 come neighborhoods and communities.

13 (b) CONTENTS.—The study and report shall—

14 (1) assess the incidence and prevalence of areas
15 with limited access to affordable and nutritious food
16 in the United States;

17 (2) identify—

18 (A) characteristics and factors causing and
19 influencing those areas; and

20 (B) the effect on local populations of lim-
21 ited access to affordable and nutritious food;
22 and

23 (3) develop recommendations for addressing the
24 causes and influences of those areas through meas-
25 ures including—

1 (A) community and economic development
2 initiatives;

3 (B) incentives for retail food market devel-
4 opment, including supermarkets, small grocery
5 stores, and farmers' markets; and

6 (C) improvements to Federal food assist-
7 ance and nutrition education programs.

8 (c) COORDINATION WITH OTHER AGENCIES AND OR-
9 GANIZATIONS.—The Secretary shall conduct the study
10 under this section in coordination and consultation with—

11 (1) the Secretary of Health and Human Serv-
12 ices;

13 (2) the Administrator of the Small Business
14 Administration;

15 (3) the Institute of Medicine; and

16 (4) representatives of appropriate businesses,
17 academic institutions, and nonprofit and faith-based
18 organizations.

19 (d) REPORT TO CONGRESS.—Not later than 1 year
20 after the date of enactment of this Act, the Secretary shall
21 submit the report prepared under this section, including
22 the findings and recommendations described in subsection
23 (b), to—

24 (1) the Committee on Agriculture of the House
25 of Representatives; and

1 (2) the Committee on Agriculture, Nutrition,
2 and Forestry of the Senate.

3 **TITLE VIII—FORESTRY**
4 **Subtitle A—Cooperative Forestry**
5 **Assistance Act of 1978**

6 **SEC. 8001. NATIONAL PRIORITIES FOR PRIVATE FOREST**
7 **CONSERVATION.**

8 Section 2 of the Cooperative Forestry Assistance Act
9 of 1978 (16 U.S.C. 2101) is amended—

10 (1) by redesignating subsections (c) and (d) as
11 subsections (e) and (f), respectively; and

12 (2) by inserting after subsection (b) the fol-
13 lowing:

14 “(c) PRIORITIES.—In allocating funds appropriated
15 or otherwise made available under this Act, the Secretary
16 shall focus on the following national private forest con-
17 servation priorities:

18 “(1) Conserving and managing working forest
19 landscapes for multiple values and uses.

20 “(2) Protecting forests from threats to forest
21 and forest health, including unnaturally large
22 wildfires, hurricanes, tornadoes, windstorms, snow or
23 ice storms, flooding, drought, invasive species, insect
24 or disease outbreak, or development, and restoring

1 appropriate forest structures and ecological proc-
2 esses in response to such threats.

3 “(3) Enhancing public benefits from private
4 forests, including air and water quality, forest prod-
5 ucts, forestry-related jobs, production of renewable
6 energy, wildlife, enhanced biodiversity, the establish-
7 ment or maintenance of wildlife corridors and wild-
8 life habitat, and recreation.

9 “(d) REPORTING REQUIREMENT.—Not later than
10 September 30, 2011, the Secretary shall submit to Con-
11 gress a report describing how funding was used under this
12 Act to address the national priorities specified in sub-
13 section (c) and the outcomes achieved in meeting the na-
14 tional priorities.”.

15 **SEC. 8002. COMMUNITY FOREST AND OPEN SPACE CON-**
16 **SERVATION PROGRAM.**

17 (a) FINDINGS.—Congress finds that—

18 (1) the Forest Service projects that, by cal-
19 endar year 2030, approximately 44,000,000 acres of
20 privately-owned forest land will be developed
21 throughout the United States;

22 (2) public access to parcels of privately-owned
23 forest land for outdoor recreational activities, includ-
24 ing hunting, fishing, and trapping, has declined and,
25 as a result, participation in those activities has also

1 declined in cases in which public access is not se-
2 cured;

3 (3) rising rates of obesity and other public
4 health problems relating to the inactivity of the citi-
5 zens of the United States have been shown to be
6 ameliorated by improving public access to safe and
7 attractive areas for outdoor recreation;

8 (4) in rapidly-growing communities of all sizes
9 throughout the United States, remaining parcels of
10 forest land play an essential role in protecting public
11 water supplies;

12 (5) forest parcels owned by local governmental
13 entities and nonprofit organizations are providing
14 important demonstration sites for private land-
15 owners to learn forest management techniques;

16 (6) throughout the United States, communities
17 of diverse types and sizes are deriving significant fi-
18 nancial and community benefits from managing for-
19 est land owned by local governmental entities for
20 timber and other forest products; and

21 (7) there is an urgent need for local govern-
22 mental entities to be able to leverage financial re-
23 sources in order to purchase important parcels of
24 privately-owned forest land as the parcels are offered
25 for sale.

1 (b) COMMUNITY FOREST AND OPEN SPACE CON-
2 SERVATION PROGRAM.—The Cooperative Forestry Assist-
3 ance Act of 1978 is amended by inserting after section
4 7 (16 U.S.C. 2103c) the following:

5 **“SEC. 7A. COMMUNITY FOREST AND OPEN SPACE CON-**
6 **SERVATION PROGRAM.**

7 “(a) DEFINITIONS.—In this section:

8 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
9 tity’ means a local governmental entity, Indian tribe,
10 or nonprofit organization that owns or acquires a
11 parcel under the program.

12 “(2) INDIAN TRIBE.—The term ‘Indian tribe’
13 has the meaning given the term in section 4 of the
14 Indian Self-Determination and Education Assistance
15 Act (25 U.S.C. 450b).

16 “(3) LOCAL GOVERNMENTAL ENTITY.—The
17 term ‘local governmental entity’ includes any munic-
18 ipal government, county government, or other local
19 government body with jurisdiction over local land
20 use decisions.

21 “(4) NONPROFIT ORGANIZATION.—The term
22 ‘nonprofit organization’ means any organization
23 that—

24 “(A) is described in section 170(h)(3) of
25 the Internal Revenue Code of 1986; and

1 “(B) operates in accordance with 1 or
2 more of the purposes specified in section
3 170(h)(4)(A) of that Code.

4 “(5) PROGRAM.—The term ‘Program’ means
5 the community forest and open space conservation
6 program established under subsection (b).

7 “(6) SECRETARY.—The term ‘Secretary’ means
8 the Secretary of Agriculture, acting through the
9 Chief of the Forest Service.

10 “(b) ESTABLISHMENT.—The Secretary shall estab-
11 lish a program, to be known as the ‘community forest and
12 open space conservation program’.

13 “(c) GRANT PROGRAM.—

14 “(1) IN GENERAL.—The Secretary may award
15 grants to eligible entities to acquire private forest
16 land, to be owned in fee simple, that—

17 “(A) are threatened by conversion to non-
18 forest uses; and

19 “(B) provide public benefits to commu-
20 nities, including—

21 “(i) economic benefits through sus-
22 tainable forest management;

23 “(ii) environmental benefits, including
24 clean water and wildlife habitat;

1 “(iii) benefits from forest-based edu-
2 cational programs, including vocational
3 education programs in forestry;

4 “(iv) benefits from serving as models
5 of effectively-managed effective forest stew-
6 ardship for private landowners; and

7 “(v) recreational benefits, including
8 hunting and fishing.

9 “(2) FEDERAL COST SHARE.—An eligible entity
10 may receive a grant under the Program in an
11 amount equal to not more than 50 percent of the
12 cost of acquiring 1 or more parcels, as determined
13 by the Secretary.

14 “(3) NON-FEDERAL SHARE.—As a condition of
15 receipt of the grant, an eligible entity that receives
16 a grant under the Program shall provide, in cash,
17 donation, or in kind, a non-Federal matching share
18 in an amount that is at least equal to the amount
19 of the grant received.

20 “(4) APPRAISAL OF PARCELS.—To determine
21 the non-Federal share of the cost of a parcel of pri-
22 vately-owned forest land under paragraph (2), an eli-
23 gible entity shall require appraisals of the land that
24 comply with the Uniform Appraisal Standards for

1 Federal Land Acquisitions developed by the Inter-
2 agency Land Acquisition Conference.

3 “(5) APPLICATION.—An eligible entity that
4 seeks to receive a grant under the Program shall
5 submit to the State forester or equivalent official (or
6 in the case of an eligible entity that is an Indian
7 tribe, an equivalent official of the Indian tribe) an
8 application that includes—

9 “(A) a description of the land to be ac-
10 quired;

11 “(B) a forest plan that provides—

12 “(i) a description of community bene-
13 fits to be achieved from the acquisition of
14 the private forest land; and

15 “(ii) an explanation of the manner in
16 which any private forest land to be ac-
17 quired using funds from the grant will be
18 managed; and

19 “(C) such other relevant information as
20 the Secretary may require.

21 “(6) EFFECT ON TRUST LAND.—

22 “(A) INELIGIBILITY.—The Secretary shall
23 not provide a grant under the Program for any
24 project on land held in trust by the United

1 States (including Indian reservations and allot-
2 ment land).

3 “(B) ACQUIRED LAND.—No land acquired
4 using a grant provided under the Program shall
5 be converted to land held in trust by the United
6 States on behalf of any Indian tribe.

7 “(7) APPLICATIONS TO SECRETARY.—The State
8 forester or equivalent official (or in the case of an
9 eligible entity that is an Indian tribe, an equivalent
10 official of the Indian tribe) shall submit to the Sec-
11 retary a list that includes a description of each
12 project submitted by an eligible entity at such times
13 and in such form as the Secretary shall prescribe.

14 “(d) DUTIES OF ELIGIBLE ENTITY.—An eligible en-
15 tity—

16 “(1) shall provide public access to, and manage,
17 forest land acquired with a grant under this section
18 in a manner that is consistent with the purposes for
19 which the land was acquired under the Program;
20 and

21 “(2) shall not convert the property to other
22 uses.

23 “(e) PROHIBITED USES.—

24 “(1) IN GENERAL.—Subject to paragraphs (2)
25 and (3), an eligible entity that acquires a parcel

1 under the Program shall not sell the parcel or con-
2 vert the parcel to nonforest use.

3 “(2) REIMBURSEMENT OF FUNDS.—An eligible
4 entity that sells or converts to nonforest use a parcel
5 acquired under the Program shall pay to the Federal
6 Government an amount equal to the greater of the
7 current sale price, or current appraised value, of the
8 parcel.

9 “(3) LOSS OF ELIGIBILITY.—An eligible entity
10 that sells or converts a parcel acquired under the
11 Program shall not be eligible for additional grants
12 under the Program.

13 “(f) STATE ADMINISTRATION AND TECHNICAL AS-
14 SISTANCE.—To assist model stewardship of parcels ac-
15 quired under the Program, the Secretary may allocate not
16 more than 10 percent of all funds made available to carry
17 out the Program for each fiscal year to State foresters
18 or equivalent officials (including an equivalent official of
19 an Indian tribe) for Program administration and technical
20 assistance.

21 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated such sums as are nec-
23 essary to carry out this section.”.

1 **SEC. 8003. FEDERAL, STATE, AND LOCAL COORDINATION**
2 **AND COOPERATION.**

3 Section 19(b)(2)(D) of the Cooperative Forestry As-
4 sistance Act of 1978 (16 U.S.C. 2113(b)(2)(D)) is amend-
5 ed by inserting “except for projects submitted by an In-
6 dian tribe,” before “make recommendations”.

7 **SEC. 8004. COMPREHENSIVE STATEWIDE FOREST PLAN-**
8 **NING.**

9 The Cooperative Forestry Assistance Act of 1978 is
10 amended—

11 (1) by redesignating section 20 (16 U.S.C.
12 2114) as section 22; and

13 (2) by inserting after section 19 (16 U.S.C.
14 2113) the following:

15 **“SEC. 20. COMPREHENSIVE STATEWIDE FOREST PLANNING.**

16 “(a) ESTABLISHMENT.—The Secretary shall estab-
17 lish a comprehensive statewide forest planning program
18 under which the Secretary shall provide financial and tech-
19 nical assistance to States for use in the development and
20 implementation of statewide forest resource assessments
21 and plans.

22 “(b) STATEWIDE FOREST RESOURCE ASSESSMENT
23 AND PLAN.—For a State to be eligible to receive funds
24 under this Act, not later than 2 years after the date of
25 enactment of the Food and Energy Security Act of 2007,
26 the State Forester of the State, or an equivalent State

1 official, shall develop a statewide forest resource assess-
2 ment and plan that, at a minimum—

3 “(1) identifies each critical forest resource area
4 in the State described in section 2(c);

5 “(2) to the maximum extent practicable—

6 “(A) incorporates any forest management
7 plan of the State in existence on the date of en-
8 actment of this section;

9 “(B) addresses the needs of the region,
10 without regard to the borders of each State of
11 the region (or the political subdivisions of each
12 State of the region);

13 “(C) provides a comprehensive statewide
14 plan (including the opportunity for public par-
15 ticipation in the development of the statewide
16 plan) for—

17 “(i) managing the forest land in the
18 State;

19 “(ii) achieving the national priorities
20 specified in section 2(c)(2);

21 “(iii) monitoring the forest land in the
22 State; and

23 “(iv) administering any forestry-re-
24 lated Federal, State, or private grants

1 awarded to the State under this section or
2 any other provisions of law; and

3 “(D) includes a multiyear, integrated for-
4 est management strategy that provides a man-
5 agement framework for—

6 “(i) the administration of each appli-
7 cable program of the State; and

8 “(ii) the use of any funds made avail-
9 able for the management of the forest land
10 in the State; and

11 “(3) is determined by the Secretary to be suffi-
12 cient to satisfy all relevant State planning and as-
13 sessment requirements under this Act.

14 “(c) COORDINATION.—In developing the statewide
15 assessment and plan under subsection (b), the State For-
16 ester or equivalent State official shall—

17 “(1) coordinate with—

18 “(A) the State Forest Stewardship Coordi-
19 nation Committee established for the State
20 under section 19(b);

21 “(B) the State wildlife agency, with respect
22 to strategies contained in the State wildlife ac-
23 tion plans;

24 “(C) the State Technical Committee; and

1 “(D) applicable Federal land management
2 agencies; and

3 “(2) for purposes of the Forest Legacy Pro-
4 gram under section 7, work cooperatively with the
5 State lead agency designated by the Governor.

6 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
7 is authorized to be appropriated to carry out this section
8 \$10,000,000 for each fiscal year.”.

9 **SEC. 8005. ASSISTANCE TO THE FEDERATED STATES OF MI-**
10 **CRONESIA, THE REPUBLIC OF THE MAR-**
11 **SHALL ISLANDS, AND THE REPUBLIC OF**
12 **PALAU.**

13 Section 13(d)(1) of the Cooperative Forestry Assist-
14 ance Act of 1978 (16 U.S.C. 2109(d)(1)) is amended by
15 striking “the Trust Territory of the Pacific Islands,” and
16 inserting “the Federated States of Micronesia, the Repub-
17 lic of the Marshall Islands, the Republic of Palau,”.

18 **Subtitle B—Tribal-Forest Service**
19 **Cooperative Relations**

20 **SEC. 8101. DEFINITIONS.**

21 In this subtitle:

22 (1) INDIAN.—The term “Indian” means an in-
23 dividual who is a member of an Indian tribe.

24 (2) INDIAN TRIBE.—The term “Indian tribe”—

1 (A) for purposes of title I, has the meaning
2 given the term in section 4 of the Indian Self-
3 Determination and Education Assistance Act
4 (25 U.S.C. 450b); and

5 (B) for purposes of title II, means any In-
6 dian or Alaska Native tribe, band, nation, pueb-
7 lo, village, or other community the name of
8 which is included on a list published by the Sec-
9 retary of the Interior pursuant to section 104
10 of the Federally Recognized Indian Tribe List
11 Act of 1994 (25 U.S.C. 479a–1).

12 (3) NATIONAL FOREST SYSTEM.—The term
13 “National Forest System” has the meaning given
14 the term in section 11(a) of the Forest and Range-
15 land Renewable Resources Planning Act of 1974 (16
16 U.S.C. 1609(a)).

17 **PART I—COLLABORATION BETWEEN INDIAN**
18 **TRIBES AND FOREST SERVICE**

19 **SEC. 8111. FOREST LEGACY PROGRAM.**

20 (a) PARTICIPATION BY INDIAN TRIBES.—Section 7
21 of the Cooperative Forestry Assistance Act of 1978 (16
22 U.S.C. 2103c) is amended—

23 (1) in subsection (a), in the first sentence, by
24 inserting “, including Indian tribes,” after “govern-
25 ment”;

1 (2) in subsection (b), by inserting “or programs
2 of Indian tribes” after “regional programs”;

3 (3) in subsection (f), in the second sentence, by
4 striking “other appropriate State or regional natural
5 resource management agency” and inserting “other
6 appropriate natural resource management agency of
7 a State, region, or Indian tribe”;

8 (4) in subsection (h)(2), by inserting “, includ-
9 ing an Indian tribe” before the period at the end;
10 and

11 (5) in subsection (j)(2), in the first sentence, by
12 inserting “including Indian tribes,” after “govern-
13 mental units,”.

14 (b) OPTIONAL STATE AND TRIBAL GRANTS.—Sec-
15 tion 7(l) of the Cooperative Forestry Assistance Act of
16 1978 (16 U.S.C. 2103c(l)) is amended—

17 (1) in the subsection heading, by inserting
18 “AND TRIBAL” after “STATE”;

19 (2) by redesignating paragraph (3) as para-
20 graph (4); and

21 (3) by striking paragraphs (1) and (2) and in-
22 serting the following:

23 “(1) DEFINITION OF INDIAN TRIBE.—In this
24 subsection, the term ‘Indian tribe’ has the meaning
25 given the term in section 4 of the Indian Self-Deter-

1 mination and Education Assistance Act (25 U.S.C.
2 450b).

3 “(2) GRANTS.—On request of a participating
4 State or Indian tribe, the Secretary shall provide a
5 grant to the State or Indian tribe to carry out the
6 Forest Legacy Program in the State or with the In-
7 dian tribe.

8 “(3) ADMINISTRATION.—If a State or Indian
9 tribe elects to receive a grant under this sub-
10 section—

11 “(A) the Secretary shall use a portion of
12 the funds made available under subsection (m),
13 as determined by the Secretary, to provide a
14 grant to the State or Indian tribe; and

15 “(B) the State or Indian tribe shall use the
16 grant to carry out the Forest Legacy Program
17 in the State or with the Indian tribe, including
18 through acquisition by the State or Indian tribe
19 of land and interests in land.

20 “(4) EFFECT ON TRUST LAND.—

21 “(A) INELIGIBILITY.—The Secretary shall
22 not provide a grant under this subsection for
23 any project on land held in trust by the United
24 States (including Indian reservations and allot-
25 ment land).

1 “(B) ACQUIRED LAND.—No land acquired
2 using a grant provided under this subsection
3 shall be converted to land held in trust by the
4 United States on behalf of any Indian tribe.”.

5 (c) CONFORMING AMENDMENTS.—Section 7(j)(1) of
6 the Cooperative Forestry Assistance Act of 1978 (16
7 U.S.C. 2103c(j)(1)) is amended by striking the first sen-
8 tence and inserting the following: “Fair market value shall
9 be paid for any property interest acquired (other than by
10 donation) under this section.”.

11 **SEC. 8112. FORESTRY AND RESOURCE MANAGEMENT AS-**
12 **SISTANCE FOR INDIAN TRIBES.**

13 (a) DEFINITION OF ELIGIBLE INDIAN LAND.—In
14 this section, the term “eligible Indian land” means, with
15 respect to each participating Indian tribe—

16 (1) trust land located within the boundaries of
17 the reservation of the Indian tribe;

18 (2) land owned in fee by the Indian tribe; and

19 (3) trust land located outside the boundaries of
20 the reservation of the Indian tribe that is eligible for
21 use for land programs of the Indian tribe.

22 (b) AUTHORITY TO PROVIDE ASSISTANCE.—The Sec-
23 retary may provide financial, technical, educational, and
24 related assistance to any Indian tribe for—

1060

1 (1) tribal consultation and coordination with
2 the Forest Service on issues relating to—

(A) access and use by members of the Indian tribe to National Forest System land and resources for traditional, religious, and cultural purposes;

(B) coordinated or cooperative management of resources shared by the Forest Service and the Indian tribe; or

10 (C) the provision of tribal traditional, cul-
11 tural, or other expertise or knowledge;

(2) projects and activities for conservation education and awareness with respect to forest land or grassland that is eligible Indian land; and

(3) technical assistance for forest resources planning, management, and conservation on eligible Indian land.

18 (c) REQUIREMENTS.—

(1) IN GENERAL.—During any fiscal year, an Indian tribe may participate in only 1 approved activity that receives assistance under—

22 (A) subsection (b)(3); or

(B) the forest stewardship program under section 5 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103a).

1 (d) IMPLEMENTATION.—

2 (1) IN GENERAL.—Not later than 18 months
3 after the date of enactment of this Act, the Sec-
4 retary shall promulgate regulations to implement
5 subsection (b), including rules for determining the
6 distribution of assistance under that subsection.

7 (2) CONSULTATION.—In developing regulations
8 pursuant to paragraph (1), the Secretary shall con-
9 duct full, open, and substantive consultation with In-
10 dian tribal governments and other representatives of
11 Indian tribes.

12 (e) COORDINATION WITH SECRETARY OF INTE-
13 RIOR.—In carrying out this section, the Secretary shall co-
14 ordinate with the Secretary of the Interior to ensure that
15 activities under subsection (b)—

16 (1) do not conflict with Indian tribal programs
17 provided by the Department of the Interior; and

18 (2) achieve the goals established by the affected
19 Indian tribes.

20 (f) AUTHORIZATION OF APPROPRIATIONS.—There
21 are authorized to be appropriated such sums as are nec-
22 essary to carry out this section.

PART II—CULTURAL AND HERITAGE

COOPERATION AUTHORITY

SEC. 8121. PURPOSES.

The purposes of this part are—

(1) to authorize the reburial of human remains and cultural items, including human remains and cultural items repatriated under the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.), on National Forest System land;

(2) to prevent the unauthorized disclosure of information regarding reburial sites, including—

(A) the quantity and identity of human remains and cultural items on the sites; and

(B) the location of the sites;

(3) to authorize the Secretary to ensure access to National Forest System land, to the maximum extent practicable, by Indians and Indian tribes for traditional and cultural purposes;

(4) to authorize the Secretary to provide forest products free of charge to Indian tribes for traditional and cultural purposes;

(5) to authorize the Secretary to protect the confidentiality of certain information, including information that is culturally sensitive to Indian tribes;

1 (6) to increase the availability of Forest Service
2 programs and resources to Indian tribes in support
3 of the policy of the United States to promote tribal
4 sovereignty and self-determination; and

5 (7) to strengthen support for the policy of the
6 United States of protecting and preserving the tradi-
7 tional, cultural, and ceremonial rites and practices of
8 Indian tribes, in accordance with Public Law 95–
9 341 (commonly known as the “American Indian Re-
10 ligious Freedom Act”) (42 U.S.C. 1996).

11 **SEC. 8122. DEFINITIONS.**

12 In this part:

13 (1) ADJACENT SITE.—The term “adjacent site”
14 means a site that borders a boundary line of Na-
15 tional Forest system land.

16 (2) CULTURAL ITEMS.—

17 (A) IN GENERAL.—The term “cultural
18 items” has the meaning given the term in sec-
19 tion 2 of the Native American Graves Protec-
20 tion and Repatriation Act (25 U.S.C. 3001).

21 (B) EXCEPTION.—The term “cultural
22 items” does not include human remains.

23 (3) HUMAN REMAINS.—The term “human re-
24 mains” means the physical remains of the body of
25 a person of Indian ancestry.

1 (4) LINEAL DESCENDANT.—The term “lineal
2 descendant” means an individual that can trace, di-
3 rectly and without interruption, the ancestry of the
4 individual through the traditional kinship system of
5 an Indian tribe, or through the common law system
6 of descent, to a known Indian, the human remains,
7 funerary objects, or other sacred objects of whom
8 are claimed by the individual.

9 (5) REBURIAL SITE.—The term “reburial site”
10 means a discrete physical location at which cultural
11 items or human remains are reburied.

12 (6) TRADITIONAL AND CULTURAL PURPOSE.—
13 The term “traditional and cultural purpose”, with
14 respect to a definable use, area, or practice, means
15 that the use, area, or practice is identified by an In-
16 dian tribe as traditional or cultural because of the
17 long-established significance or ceremonial nature of
18 the use, area, or practice to the Indian tribe.

19 **SEC. 8123. REBURIAL OF HUMAN REMAINS AND CULTURAL**
20 **ITEMS.**

21 (a) REBURIAL SITES.—In consultation with an af-
22 fected Indian tribe or lineal descendant, the Secretary may
23 authorize the use of National Forest System land by the
24 Indian tribe or lineal descendant for the reburial of human
25 remains or cultural items in the possession of the Indian

1 tribe or lineal descendant that have been disinterred from
2 National Forest System land or an adjacent site.

3 (b) REBURIAL.—With the consent of the affected In-
4 dian tribe or lineal descendent, the Secretary may recover
5 and rebury, at Federal expense or using other available
6 funds, human remains and cultural items described in sub-
7 section (a) at the National Forest System land identified
8 under that subsection.

9 (c) AUTHORIZATION OF USE.—

10 (1) IN GENERAL.—Subject to paragraph (2),
11 the Secretary may authorize such uses on reburial
12 sites or adjacent sites as the Secretary determines to
13 be necessary for management of the National Forest
14 System.

15 (2) AVOIDANCE OF ADVERSE IMPACTS.—In car-
16 rying out paragraph (1), the Secretary shall avoid
17 adverse impacts to cultural items and human re-
18 mains, to the maximum extent practicable.

19 **SEC. 8124. TEMPORARY CLOSURE FOR TRADITIONAL AND**
20 **CULTURAL PURPOSES.**

21 (a) RECOGNITION OF HISTORIC USE.—The Secretary
22 shall, to the maximum extent practicable, ensure access
23 to National Forest System land by Indians for traditional
24 and cultural purposes, in accordance with subsection (b),

1 in recognition of the historic use by Indians of National
2 Forest System land.

3 (b) CLOSING LAND FROM PUBLIC ACCESS.—

4 (1) IN GENERAL.—On receipt of a request from
5 an Indian tribe, the Secretary may temporarily close
6 from public access specifically designated National
7 Forest System land to protect the privacy of tribal
8 activities for traditional and cultural purposes.

9 (2) LIMITATION.—A closure of National Forest
10 System land under paragraph (1) shall affect the
11 smallest practicable area for the minimum period
12 necessary for activities of the applicable Indian tribe.

13 (3) CONSISTENCY.—Access by Indian tribes to
14 National Forest System land under this subsection
15 shall be consistent with the purposes of Public Law
16 95–341 (commonly known as the “American Indian
17 Religious Freedom Act”) (42 U.S.C. 1996).

18 **SEC. 8125. FOREST PRODUCTS FOR TRADITIONAL AND CUL-**
19 **TURAL PURPOSES.**

20 (a) IN GENERAL.—Notwithstanding section 14 of the
21 National Forest Management Act of 1976 (16 U.S.C.
22 472a), the Secretary may provide free of charge to Indian
23 tribes any trees, portions of trees, or forest products from
24 National Forest System land for traditional and cultural
25 purposes.

1 (b) PROHIBITION.—Trees, portions of trees, or forest
2 products provided under subsection (a) may not be used
3 for commercial purposes.

4 **SEC. 8126. PROHIBITION ON DISCLOSURE.**

5 (a) NONDISCLOSURE OF INFORMATION.—

6 (1) IN GENERAL.—The Secretary shall not dis-
7 close under section 552 of title 5, United States
8 Code (commonly known as the “Freedom of Infor-
9 mation Act”), any information relating to—

10 (A) subject to subsection (b)(1), human re-
11 mains or cultural items reburied on National
12 Forest System land under section 8123; or

13 (B) subject to subsection (b)(2), resources,
14 cultural items, uses, or activities that—

15 (i) have a traditional and cultural
16 purpose; and

17 (ii) are provided to the Secretary by
18 an Indian or Indian tribe under an express
19 expectation of confidentiality in the context
20 of forest and rangeland research activities
21 carried out under the authority of the For-
22 est Service.

23 (2) LIMITATIONS ON DISCLOSURE.—Subject to
24 subsection (b)(2), the Secretary shall not be required
25 to disclose information under section 552 of title 5,

1 United States Code (commonly known as the “Free-
2 dom of Information Act”), concerning the identity,
3 use, or specific location in the National Forest Sys-
4 tem of—

5 (A) a site or resource used for traditional
6 and cultural purposes by an Indian tribe; or

7 (B) any cultural items not covered under
8 section 8123.

9 (b) LIMITED RELEASE OF INFORMATION.—

10 (1) REBURIAL.—The Secretary may disclose in-
11 formation described in subsection (a)(1)(A) if, before
12 the disclosure, the Secretary—

13 (A) consults with an affected Indian tribe
14 or lineal descendent;

15 (B) determines that disclosure of the infor-
16 mation—

17 (i) would advance the purposes of this
18 part; and

19 (ii) is necessary to protect the human
20 remains or cultural items from harm,
21 theft, or destruction; and

22 (C) attempts to mitigate any adverse im-
23 pacts identified by an Indian tribe or lineal de-
24 scendant that reasonably could be expected to
25 result from disclosure of the information.

1 (2) OTHER INFORMATION.—The Secretary may
2 disclose information described under paragraph
3 (1)(B) or (2) of subsection if the Secretary deter-
4 mines that disclosure of the information to the pub-
5 lic—

6 (A) would advance the purposes of this
7 part;

8 (B) would not create an unreasonable risk
9 of harm, theft, or destruction of the resource,
10 site, or object, including individual organic or
11 inorganic specimens; and

12 (C) would be consistent with other applica-
13 ble laws.

14 **SEC. 8127. SEVERABILITY AND SAVINGS PROVISIONS.**

15 (a) SEVERABILITY.—If any provision of this part, or
16 the application of any provision of this part to any person
17 or circumstance, is held invalid, the application of such
18 provision or circumstance and the remainder of this part
19 shall not be affected thereby.

20 (b) SAVINGS.—Nothing in this part—

21 (1) diminishes or expands the trust responsi-
22 bility of the United States to Indian tribes, or any
23 legal obligation or remedy resulting from that re-
24 sponsibility;

1 (2) alters, abridges, repeals, or affects any valid
2 agreement between the Forest Service and an Indian
3 tribe;

4 (3) alters, abridges, diminishes, repeals, or af-
5 fects any reserved or other right of an Indian tribe;
6 or

7 (4) alters, abridges, diminishes, repeals, or af-
8 fects any other valid existing right relating to Na-
9 tional Forest System land or other public land.

10 **Subtitle C—Amendments to Other** 11 **Laws**

12 **SEC. 8201. RENEWABLE RESOURCES EXTENSION ACTIVI-** 13 **TIES.**

14 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
15 6 of the Renewable Resources Extension Act of 1978 (16
16 U.S.C. 1675) is amended in the first sentence by striking
17 “2007” and inserting “2012”.

18 (b) TERMINATION DATE.—Section 8 of the Renew-
19 able Resources Extension Act of 1978 (16 U.S.C. 1671
20 note; Public Law 95–306) is amended by striking “2007”
21 and inserting “2012”.

22 **SEC. 8202. OFFICE OF INTERNATIONAL FORESTRY.**

23 Section 2405(d) of the Global Climate Change Pre-
24 vention Act of 1990 (7 U.S.C. 6704(d)) is amended by
25 striking “2007” and inserting “2012”.

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1 **TITLE IX—ENERGY**

2 **SEC. 9001. ENERGY.**

3 Title IX of the Farm Security and Rural Investment
4 Act of 2002 (7 U.S.C. 8101 et seq.) is amended to read
5 as follows:

6 **“TITLE IX—ENERGY**

7 **“SEC. 9001. DEFINITIONS.**

8 “Except as otherwise provided, in this title:

9 “(1) ADMINISTRATOR.—The term ‘Adminis-
10 trator’ means the Administrator of the Environ-
11 mental Protection Agency.

12 “(2) ADVISORY COMMITTEE.—The term ‘Advi-
13 sory Committee’ means the Biomass Research and
14 Development Technical Advisory Committee estab-
15 lished by section 9008(d)(1).

16 “(3) ADVANCED BIOFUEL.—

17 “(A) IN GENERAL.—The term ‘advanced
18 biofuel’ means fuel derived from renewable bio-
19 mass other than corn starch.

20 “(B) INCLUSIONS.—The term ‘advanced
21 biofuel’ includes—

22 “(i) biofuel derived from cellulose,
23 hemicellulose, or lignin;

1 “(ii) biofuel derived from sugar and
2 starch (other than ethanol derived from
3 corn starch);

4 “(iii) biofuel derived from waste mate-
5 rial, including crop residue, other vegeta-
6 tive waste material, animal waste, food
7 waste, and yard waste;

8 “(iv) diesel-equivalent fuel derived
9 from renewable biomass, including vege-
10 table oil and animal fat;

11 “(v) biogas (including landfill gas and
12 sewage waste treatment gas) produced
13 through the conversion of organic matter
14 from renewable biomass;

15 “(vi) butanol or other alcohols pro-
16 duced through the conversion of organic
17 matter from renewable biomass; and

18 “(vii) other fuel derived from cel-
19 lulosic biomass.

20 “(4) BIOBASED PRODUCT.—The term ‘biobased
21 product’ means a product determined by the Sec-
22 retary to be a commercial or industrial product
23 (other than food or feed) that is—

24 “(A) composed, in whole or in significant
25 part, of biological products, including renewable

1 domestic agricultural materials and forestry
2 materials; or

3 “(B) an intermediate ingredient or feed-
4 stock.

5 “(5) BIOFUEL.—The term ‘biofuel’ means a
6 fuel derived from renewable biomass.

7 “(6) BIOMASS CONVERSION FACILITY.—The
8 term ‘biomass conversion facility’ means a facility
9 that converts or proposes to convert renewable bio-
10 mass into—

11 “(A) heat;

12 “(B) power;

13 “(C) biobased products; or

14 “(D) advanced biofuels.

15 “(7) BIOREFINERY.—The term ‘biorefinery’
16 means equipment and processes that—

17 “(A) convert renewable biomass into
18 biofuels and biobased products; and

19 “(B) may produce electricity.

20 “(8) BOARD.—The term ‘Board’ means the
21 Biomass Research and Development Board estab-
22 lished by section 9008(c).

23 “(9) INDIAN TRIBE.—The term ‘Indian tribe’
24 has the meaning given the term in section 4 of the

1 Indian Self-Determination and Education Assistance
2 Act (25 U.S.C. 450b).

3 “(10) INSTITUTION OF HIGHER EDUCATION.—
4 The term ‘institution of higher education’ has the
5 meaning given the term in section 102(a) of the
6 Higher Education Act of 1965 (20 U.S.C. 1002(a)).

7 “(11) INTERMEDIATE INGREDIENT OR FEED-
8 STOCK.—The term ‘intermediate ingredient or feed-
9 stock’ means a material or compound made in whole
10 or in significant part from biological products, in-
11 cluding renewable agricultural materials (including
12 plant, animal, and marine materials) or forestry ma-
13 terials, that are subsequently used to make a more
14 complex compound or product.

15 “(12) RENEWABLE BIOMASS.—The term ‘re-
16 newable biomass’ means—

17 “(A) materials, pre-commercial thinnings,
18 or removed exotic species that—

19 “(i) are byproducts of preventive
20 treatments (such as trees, wood, brush,
21 thinnings, chips, and slash), that are re-
22 moved—

23 “(I) to reduce hazardous fuels;

24 “(II) to reduce or contain disease
25 or insect infestation; or

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1 “(III) to restore ecosystem
2 health;

3 “(ii) would not otherwise be used for
4 higher-value products; and

5 “(iii) are harvested from National
6 Forest System land or public lands (as de-
7 fined in section 103 of the Federal Land
8 Policy and Management Act of 1976 (43
9 U.S.C. 1702)), in accordance with—

10 “(I) Federal and State law;

11 “(II) applicable land manage-
12 ment plans; and

13 “(III) the requirements for old-
14 growth maintenance, restoration, and
15 management direction of paragraphs
16 (2), (3), and (4) of subsection (e) of
17 section 102 of the Healthy Forests
18 Restoration Act of 2003 (16 U.S.C.
19 6512) and the requirements for large-
20 tree retention of subsection (f) of that
21 section; or

22 “(B) any organic matter that is available
23 on a renewable or recurring basis from non-
24 Federal land or land belonging to an Indian or
25 Indian tribe that is held in trust by the United

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1 States or subject to a restriction against alien-
2 ation imposed by the United States, including—

3 “(i) renewable plant material, includ-
4 ing—

5 “(I) feed grains;

6 “(II) other agricultural commod-
7 ities;

8 “(III) other plants and trees; and

9 “(IV) algae; and

10 “(ii) waste material, including—

11 “(I) crop residue;

12 “(II) other vegetative waste ma-
13 terial (including wood waste and wood
14 residues);

15 “(III) animal waste and byprod-
16 ucts (including fats, oils, greases, and
17 manure);

18 “(IV) construction waste; and

19 “(V) food waste and yard waste.

20 “(13) RENEWABLE ENERGY.—The term ‘renew-
21 able energy’ means energy derived from—

22 “(A) a wind, solar, renewable biomass,
23 ocean (including tidal, wave, current, and ther-
24 mal), geothermal, or hydroelectric source; or

1 “(B) hydrogen derived from renewable bio-
2 mass or water using an energy source described
3 in subparagraph (A).

4 “(14) RURAL AREA.—Except as otherwise pro-
5 vided in this title, the term ‘rural area’ has the
6 meaning given the term in section 343(a)(13)(A) of
7 the Consolidated Farm and Rural Development Act
8 (7 U.S.C. 1991(a)(13)(A)).

9 “(15) SECRETARY.—The term ‘Secretary’
10 means the Secretary of Agriculture.

11 **“SEC. 9002. BIOBASED MARKETS PROGRAM.**

12 “(a) FEDERAL PROCUREMENT OF BIOBASED PROD-
13 UCTS.—

14 “(1) DEFINITION OF PROCURING AGENCY.—In
15 this subsection, the term ‘procuring agency’
16 means—

17 “(A) any Federal agency that is using
18 Federal funds for procurement; or

19 “(B) a person that is a party to a contract
20 with any Federal agency, with respect to work
21 performed under such a contract.

22 “(2) APPLICATION OF SECTION.—Except as
23 provided in paragraph (3), each procuring agency
24 shall comply with this subsection (including any reg-
25 ulations issued under this subsection), with respect

1 to any purchase or acquisition of a procurement
2 item for which—

3 “(A) the purchase price of the item ex-
4 ceeds \$10,000; or

5 “(B) the quantity of the items or of func-
6 tionally-equivalent items purchased or acquired
7 during the preceding fiscal year was at least
8 \$10,000.

9 “(3) PROCUREMENT PREFERENCE.—

10 “(A) IN GENERAL.—Except as provided in
11 subparagraph (B), after the date specified in
12 applicable guidelines prepared pursuant to
13 paragraph (5), each procuring agency that pro-
14 cures any items designated in the guidelines
15 and items containing designated biobased inter-
16 mediate ingredients and feedstocks shall, in
17 making procurement decisions (consistent with
18 maintaining a satisfactory level of competition,
19 considering the guidelines), give preference to
20 items that—

21 “(i) are composed of the highest per-
22 centage of biobased products practicable;

23 “(ii) are composed of at least 5 per-
24 cent of intermediate ingredients and feed-
25 stocks (or a lesser percentage that the Sec-

1 retary determines to be appropriate) as
2 designated by the Secretary; or

3 “(iii) comply with the regulations
4 issued under section 103 of Public Law
5 100–556 (42 U.S.C. 6914b–1).

6 “(B) FLEXIBILITY.—Notwithstanding sub-
7 paragraph (A), a procuring agency may decide
8 not to procure items described in that subpara-
9 graph if the procuring agency determines that
10 the items—

11 “(i) are not reasonably available with-
12 in a reasonable period of time;

13 “(ii) fail to meet—

14 “(I) the performance standards
15 set forth in the applicable specifica-
16 tions; or

17 “(II) the reasonable performance
18 standards of the procuring agencies;
19 or

20 “(iii) are available only at an unrea-
21 sonable price.

22 “(C) CERTIFICATION.—After the date
23 specified in any applicable guidelines prepared
24 pursuant to paragraph (5), contracting offices
25 shall require that, with respect to biobased

1 products, vendors certify that the biobased
2 products to be used in the performance of the
3 contract will comply with the applicable speci-
4 fications or other contractual requirements.

5 “(4) SPECIFICATIONS.—Each Federal agency
6 that has the responsibility for drafting or reviewing
7 procurement specifications shall, not later than 1
8 year after the date of publication of applicable
9 guidelines under paragraph (5), or as otherwise
10 specified in the guidelines, ensure that the specifica-
11 tions require the use of biobased products consistent
12 with this subsection.

13 “(5) GUIDELINES.—

14 “(A) IN GENERAL.—The Secretary, after
15 consultation with the Administrator, the Ad-
16 ministrator of General Services, and the Sec-
17 retary of Commerce (acting through the Direc-
18 tor of the National Institute of Standards and
19 Technology), shall prepare, and from time to
20 time revise, guidelines for the use of procuring
21 agencies in complying with the requirements of
22 this subsection.

23 “(B) REQUIREMENTS.—The guidelines
24 under this paragraph shall—

1 “(i) designate those items that are or
2 can be produced with biobased products
3 (including biobased products for which
4 there is only a single product or manufac-
5 turer in the category) and the procurement
6 of which by procuring agencies will carry
7 out the objectives of this subsection;

8 “(ii) designate those intermediate in-
9 gredients and feedstocks and finished prod-
10 ucts that contain significant portions of
11 biobased materials or components the pro-
12 curement of which by procuring agencies
13 will carry out the objectives of this sub-
14 section;

15 “(iii) set forth recommended practices
16 with respect to the procurement of
17 biobased products and items containing
18 such materials and with respect to certifi-
19 cation by vendors of the percentage of
20 biobased products used;

21 “(iv) provide information as to the
22 availability, relative price, performance,
23 and environmental and public health bene-
24 fits, of such materials and items; and

1 “(v) automatically designate those
2 items that are composed of materials and
3 items designated pursuant to paragraph
4 (3), if the content of the final product ex-
5 ceeds 50 percent (unless the Secretary de-
6 termines a different composition percent-
7 age).

8 “(C) INFORMATION PROVIDED.—Informa-
9 tion provided pursuant to subparagraph (B)(iv)
10 with respect to a material or item shall be con-
11 sidered to be provided for another item made
12 with the same material or item.

13 “(D) PROHIBITION.—Guidelines issued
14 under this paragraph may not require a manu-
15 facturer or vendor of biobased products, as a
16 condition of the purchase of biobased products
17 from the manufacturer or vendor, to provide to
18 procuring agencies more data than would be re-
19 quired to be provided by other manufacturers or
20 vendors offering products for sale to a pro-
21 curing agency, other than data confirming the
22 biobased content of a product.

23 “(E) STATE PROCUREMENT.—Not later
24 than 180 days after the date of enactment of
25 this section, the Secretary shall offer procure-

1 ment system models that States may use for
2 the procurement of biobased products by the
3 States.

4 “(6) ADMINISTRATION.—

5 “(A) OFFICE OF FEDERAL PROCUREMENT
6 POLICY.—The Office of Federal Procurement
7 Policy, in cooperation with the Secretary,
8 shall—

9 “(i) coordinate the implementation of
10 this subsection with other policies for Fed-
11 eral procurement;

12 “(ii) annually collect the information
13 required to be reported under subpara-
14 graph (B) and make the information pub-
15 licly available;

16 “(iii) take a leading role in conducting
17 proactive research to inform and promote
18 the adoption of and compliance with pro-
19 curement requirements for biobased prod-
20 ucts by Federal agencies; and

21 “(iv) not less than once every 2 years,
22 submit to Congress a report that—

23 “(I) describes the progress made
24 in carrying out this subsection, includ-

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1 ing agency compliance with paragraph
2 (4); and

3 “(II) contains a summary of the
4 information reported pursuant to sub-
5 paragraph (B).

6 “(B) OTHER AGENCIES.—To assist the Of-
7 fice of Federal Procurement Policy in carrying
8 out subparagraph (A)—

9 “(i) each procuring agency shall sub-
10 mit each year to the Office of Federal Pro-
11 curement Policy, to the maximum extent
12 practicable, information concerning—

13 “(I) actions taken to implement
14 paragraphs (3), (4), and (7);

15 “(II) the results of the annual re-
16 view and monitoring program estab-
17 lished under paragraph (7)(B)(iii);

18 “(III) the number and dollar
19 value of contracts entered into during
20 the year that include the direct pro-
21 curement of biobased products;

22 “(IV) the number of service and
23 construction (including renovations
24 and modernizations) contracts entered
25 into during the year that include lan-

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1 guage on the use of biobased prod-
2 ucts; and

3 “(V) the types and dollar value
4 of biobased products actually used by
5 contractors in carrying out service
6 and construction (including renova-
7 tions and modernizations) contracts
8 during the previous year; and

9 “(ii) the General Services Administra-
10 tion and the Defense Logistics Agency
11 shall submit each year to the Office of
12 Federal Procurement Policy, to the max-
13 imum extent practicable, information con-
14 cerning the types and dollar value of
15 biobased products purchased by procuring
16 agencies through GSA Advantage!, the
17 Federal Supply Schedule, and the Defense
18 Logistic Agency (including the DoD
19 EMall).

20 “(7) PROCUREMENT PROGRAM.—

21 “(A) IN GENERAL.—Not later than 1 year
22 after the date of publication of applicable guide-
23 lines under paragraph (5), each Federal agency
24 shall develop a procurement program that—

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1 “(i) will ensure that items composed
2 of biobased products will be purchased to
3 the maximum extent practicable; and

4 “(ii) is consistent with applicable pro-
5 visions of Federal procurement law.

6 “(B) MINIMUM REQUIREMENTS.—Each
7 procurement program required under this para-
8 graph shall, at a minimum, contain—

9 “(i) a biobased products preference
10 program;

11 “(ii) an agency promotion program to
12 promote the preference program adopted
13 under clause (i); and

14 “(iii) annual review and monitoring of
15 the effectiveness of the procurement pro-
16 gram of the agency.

17 “(C) CONSIDERATION.—

18 “(i) IN GENERAL.—In developing a
19 preference program, an agency shall—

20 “(I) consider the options de-
21 scribed in clauses (ii) and (iii); and

22 “(II) adopt 1 of the options, or a
23 substantially equivalent alternative,
24 for inclusion in the procurement pro-
25 gram.

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1 “(ii) CASE-BY-CASE POLICY DEVELOP-
2 MENT.—

3 “(I) IN GENERAL.—Subject to
4 paragraph (3)(B), except as provided
5 in subclause (II), in developing a pref-
6 erence program, an agency shall con-
7 sider a policy of awarding contracts to
8 the vendor offering an item composed
9 of the highest percentage of biobased
10 products practicable.

11 “(II) CERTAIN CONTRACTS AL-
12 LOWED.—Subject to paragraph
13 (3)(B), an agency may make an
14 award to a vendor offering items with
15 less than the maximum biobased prod-
16 ucts content.

17 “(iii) MINIMUM CONTENT STAND-
18 ARDS.—In developing a preference pro-
19 gram, an agency shall consider minimum
20 biobased products content specifications
21 that are established in a manner that en-
22 sures that the biobased products content
23 required is consistent with this subsection,
24 without violating paragraph (3)(B).

25 “(b) LABELING.—

1 “(1) IN GENERAL.—The Secretary, in consulta-
2 tion with the Administrator, shall establish a vol-
3 untary program under which the Secretary author-
4 izes producers of biobased products to use the label
5 ‘USDA Certified Biobased Product’.

6 “(2) ELIGIBILITY CRITERIA.—

7 “(A) CRITERIA.—

8 “(i) IN GENERAL.—Not later than 90
9 days after the date of the enactment of
10 this section, except as provided in clause
11 (ii), the Secretary, in consultation with the
12 Administrator and representatives from
13 small and large businesses, academia,
14 other Federal agencies, and such other
15 persons as the Secretary considers appro-
16 priate, shall issue criteria (as of the date
17 of enactment of this section) for deter-
18 mining which products may qualify to re-
19 ceive the label under paragraph (1).

20 “(ii) EXCEPTION.—Clause (i) shall
21 not apply to final criteria that have been
22 issued (as of the date of enactment of this
23 section) by the Secretary.

24 “(B) REQUIREMENTS.—Criteria issued
25 under subparagraph (A)—

1 “(i) shall encourage the purchase of
2 products with the maximum biobased con-
3 tent;

4 “(ii) shall provide that the Secretary
5 may designate as biobased for the purposes
6 of the voluntary program established under
7 this subsection finished products that con-
8 tain significant portions of biobased mate-
9 rials or components; and

10 “(iii) to the maximum extent prac-
11 ticable, should be consistent with the
12 guidelines issued under subsection (a)(5).

13 “(3) USE OF LABEL.—The Secretary shall en-
14 sure that the label referred to in paragraph (1) is
15 used only on products that meet the criteria issued
16 pursuant to paragraph (2).

17 “(4) RECOGNITION.—The Secretary shall—

18 “(A) establish a voluntary program to rec-
19 ognize Federal agencies and private entities
20 that use a substantial amount of biobased prod-
21 ucts; and

22 “(B) encourage Federal agencies to estab-
23 lish incentives programs to recognize Federal
24 employees or contractors that make exceptional

1 contributions to the expanded use of biobased
2 products.

3 “(c) LIMITATION.—Nothing in this section (other
4 than subsections (f), (g), and (h)) shall apply to the pro-
5 curement of motor vehicle fuels, heating oil, or electricity.

6 “(d) INCLUSION.—

7 “(1) IN GENERAL.—Not later than 90 days
8 after the date of enactment of the Food and Energy
9 Security Act of 2007, the Architect of the Capitol,
10 the Sergeant at Arms of the Senate, and the Chief
11 Administrative Officer of the House of Representa-
12 tives shall establish procedures that apply the re-
13 quirements of this section to procurement for the
14 Capitol Complex.

15 “(2) ANNUAL SHOWCASE.—Beginning in cal-
16 endar year 2008, the Secretary shall sponsor or oth-
17 erwise support, consistent with applicable Federal
18 laws (including regulations), an annual exposition at
19 which entities may display and demonstrate biobased
20 products.

21 “(e) TESTING OF BIOBASED PRODUCTS.—

22 “(1) IN GENERAL.—The Secretary may estab-
23 lish 1 or more national testing centers for biobased
24 products to verify performance standards, biobased
25 contents, and other product characteristics.

1 “(2) REQUIREMENT.—In establishing 1 or more
2 national testing centers under paragraph (1), the
3 Secretary shall give preference to entities that have
4 established capabilities and experience in the testing
5 of biobased materials and products.

6 “(f) BIOENERGY AND OTHER BIOBASED PRODUCTS
7 EDUCATION AND AWARENESS CAMPAIGN.—

8 “(1) IN GENERAL.—The Secretary in consulta-
9 tion with the Secretary of Energy, shall establish a
10 program to make competitive grants to eligible enti-
11 ties to carry out broad-based education and public
12 awareness campaigns relating to bioenergy (includ-
13 ing biofuels but excluding biodiesel) and other
14 biobased products.

15 “(2) ELIGIBLE ENTITIES.—An entity eligible to
16 receive a grant described in paragraph (1) is an en-
17 tity that has demonstrated a knowledge of bioenergy
18 (including biofuels but excluding biodiesel) and other
19 biobased products and is—

20 “(A) a State energy or agricultural office;

21 “(B) a regional, State-based, or tribal en-
22 ergy organization;

23 “(C) a land-grant college or university (as
24 defined in section 1404 of the National Agricul-
25 tural Research, Extension, and Teaching Policy

1 Act of 1977 (7 U.S.C. 3103)) or other institu-
2 tion of higher education;

3 “(D) a rural electric cooperative or utility;

4 “(E) a nonprofit organization, including an
5 agricultural trade association, resource con-
6 servation and development district, and energy
7 service provider;

8 “(F) a State environmental quality office;
9 or

10 “(G) any other similar entity, other than a
11 Federal agency or for-profit entity, as deter-
12 mined by the Secretary.

13 “(g) REPORTS.—

14 “(1) IN GENERAL.—Not later than 180 days
15 after the date of enactment of this section and each
16 year thereafter, the Secretary shall submit to Con-
17 gress a report on the implementation of this section.

18 “(2) CONTENTS.—The report shall include—

19 “(A) a comprehensive management plan
20 that establishes tasks, milestones, and
21 timelines, organizational roles and responsibil-
22 ities, and funding allocations for fully imple-
23 menting this section; and

24 “(B) information on the status of imple-
25 mentation of—

1 “(i) item designations (including des-
2 ignation of intermediate ingredients and
3 feedstocks); and

4 “(ii) the voluntary labeling program
5 established under subsection (b).

6 “(h) FUNDING.—

7 “(1) IN GENERAL.—Of the funds of the Com-
8 modity Credit Corporation, the Secretary shall use,
9 to the maximum extent practicable, \$3,000,000 for
10 each of fiscal years 2008 through 2012—

11 “(A) to continue mandatory funding for
12 biobased products testing as required to carry
13 out this section; and

14 “(B) to carry out the bioenergy education
15 and awareness campaign under subsection (f).

16 “(2) AUTHORIZATION OF APPROPRIATIONS.—In
17 addition to any other funds made available to carry
18 out this section, there are authorized to be appro-
19 priated to carry out this section such sums as are
20 necessary for each of fiscal years 2008 through
21 2012.

22 “(3) PRIORITY.—At the discretion of the Sec-
23 retary, the Secretary may give priority to the testing
24 of products for which private sector firms provide
25 cost sharing for the testing.

1 **“SEC. 9003. BIODIESEL FUEL EDUCATION.**

2 “(a) PURPOSE.—The purpose of this section is to
3 educate potential users about the proper use and benefits
4 of biodiesel.

5 “(b) ESTABLISHMENT.—The Secretary shall, under
6 such terms and conditions as are appropriate, make grants
7 to eligible entities to educate governmental and private en-
8 tities that operate vehicle fleets, oil refiners, automotive
9 companies, owners and operators of watercraft fleets,
10 other interested entities (as determined by the Secretary),
11 and the public about the benefits of biodiesel fuel use.

12 “(c) ELIGIBLE ENTITIES.—To receive a grant under
13 subsection (b), an entity shall—

14 “(1) be a nonprofit organization or institution
15 of higher education (as defined in section 101 of the
16 Higher Education Act of 1965 (20 U.S.C. 1001));

17 “(2) have demonstrated knowledge of biodiesel
18 fuel production, use, or distribution; and

19 “(3) have demonstrated the ability to conduct
20 educational and technical support programs.

21 “(d) CONSULTATION.—In carrying out this section,
22 the Secretary shall consult with the Secretary of Energy.

23 “(e) FUNDING.—Of the funds of the Commodity
24 Credit Corporation, the Secretary shall use to carry out
25 this section, to the maximum extent practicable,
26 \$2,000,000 for each of fiscal years 2008 through 2012.

1 **“SEC. 9004. BIOMASS CROP TRANSITION.**

2 “(a) DEFINITIONS.—In this section:

3 “(1) ELIGIBLE CROP.—The term ‘eligible crop’
4 means a crop of renewable biomass.

5 “(2) ELIGIBLE PARTICIPANT.—The term ‘eligi-
6 ble participant’ means an agricultural producer or
7 forest land owner—

8 “(A) that is establishing 1 or more eligible
9 crops on private land to be used in the produc-
10 tion of advanced biofuels, other biobased prod-
11 ucts, heat, or power from a biomass conversion
12 facility;

13 “(B) that has a financial commitment
14 from a biomass conversion facility, including a
15 proposed biomass conversion facility that is eco-
16 nomically viable, as determined by the Sec-
17 retary, to purchase the eligible crops; and

18 “(C) the production operation of which is
19 in such proximity to the biomass conversion fa-
20 cility described in subparagraph (B) as to make
21 delivery of the eligible crops to that location
22 economically practicable.

23 “(b) BIOMASS CROP TRANSITION ASSISTANCE.—

24 “(1) ESTABLISHMENT OF PROGRAM.—The Sec-
25 retary shall establish a program to provide transi-
26 tional assistance for the establishment and produc-

1 tion of eligible crops to be used in the production of
2 advanced biofuels, other biobased products, heat, or
3 power from a biomass conversion facility.

4 “(2) EXCLUSION.—An agricultural producer
5 shall not be eligible for assistance under paragraph
6 (1) for the establishment and production of—

7 “(A) any crop that is eligible for benefits
8 under title I of the Food and Energy Security
9 Act of 2007; or

10 “(B) an annual crop.

11 “(3) CONTRACTS.—

12 “(A) IN GENERAL.—The Secretary shall
13 enter into contracts with eligible participants
14 and entities described in subparagraph (B) to
15 provide transitional assistance payments to eli-
16 gible participants.

17 “(B) CONTRACTS WITH MEMBER ENTI-
18 TIES.—The Secretary may enter into 1 or more
19 contracts with farmer-owned cooperatives, agri-
20 cultural trade associations, or other similar en-
21 tities on behalf of producer members that meet
22 the requirements of, and elect to be treated as,
23 eligible participants if the contract would offer
24 greater efficiency in administration of the pro-
25 gram.

1 “(C) REQUIREMENTS.—Under a contract
2 described in subparagraph (A), an eligible par-
3 ticipant shall be required, as determined by the
4 Secretary—

5 “(i) to produce 1 or more eligible
6 crops;

7 “(ii) to develop and actively apply a
8 conservation plan that meets the require-
9 ments for highly erodible land conservation
10 and wetlands conservation as established
11 under subtitles B and C of title XII of the
12 Food Security Act of 1985 (16 U.S.C.
13 3811 et seq.); and

14 “(iii) to use such conservation prac-
15 tices as are necessary, where appropriate—

16 “(I) to advance the goals and ob-
17 jectives of State, regional, and na-
18 tional fish and wildlife conservation
19 plans and initiatives; and

20 “(II) to comply with mandatory
21 environmental requirements for a pro-
22 ducer under Federal, State, and local
23 law.

24 “(4) PAYMENTS.—

1 “(A) FIRST YEAR.—During the first year
2 of the contract, the Secretary shall make a pay-
3 ment to an eligible participant in an amount
4 that covers the cost of establishing 1 or more
5 eligible crops.

6 “(B) SUBSEQUENT YEARS.—During any
7 subsequent year of the contract, the Secretary
8 shall make incentive payments to an eligible
9 participant in an amount determined by the
10 Secretary to encourage the eligible participant
11 to produce renewable biomass.

12 “(c) ASSISTANCE FOR PRODUCTION OF ANNUAL
13 CROP OF RENEWABLE BIOMASS.—

14 “(1) IN GENERAL.—The Secretary may provide
15 assistance to eligible participants to plant an annual
16 crop of renewable biomass for use in a biomass con-
17 version facility in the form of—

18 “(A) technical assistance; and

19 “(B) cost-share assistance for the cost of
20 establishing an annual crop of renewable bio-
21 mass.

22 “(2) EXCLUSION.—An agricultural producer
23 shall not be eligible for assistance under paragraph
24 (1) for the establishment of any crop that is eligible

1 for benefits under title I of the Food and Energy Se-
2 curity Act of 2007.

3 “(3) COMPLIANCE.—Eligible participants re-
4 ceiving assistance under paragraph (1)(B) shall de-
5 velop and actively apply a conservation plan that
6 meets the requirements for highly erodible land con-
7 servation and wetlands conservation as established
8 under subtitles B and C of title XII of the Food Se-
9 curity Act of 1985 (16 U.S.C. 3811 et seq.).

10 “(d) ASSISTANCE FOR COLLECTION, HARVEST,
11 STORAGE, AND TRANSPORT OF RENEWABLE BIOMASS.—

12 “(1) ESTABLISHMENT OF PROGRAM.—The Sec-
13 retary shall establish a program to provide assist-
14 ance to eligible participants for collecting, har-
15 vesting, storing, and transporting eligible crops to be
16 used in the production of advanced biofuels,
17 biobased products, heat, or power from a biomass
18 conversion facility.

19 “(2) PAYMENTS.—

20 “(A) IN GENERAL.—An eligible participant
21 shall receive payments under this subsection for
22 each ton of eligible crop delivered to a biomass
23 conversion facility, based on a fixed rate to be
24 established by the Secretary in accordance with
25 subparagraph (B).

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1 “(B) FIXED RATE.—The Secretary shall
2 establish a fixed payment rate for purposes of
3 subparagraph (A) to reflect—

4 “(i) the estimated cost of collecting,
5 harvesting, storing, and transporting the
6 applicable eligible crop; and

7 “(ii) such other factors as the Sec-
8 retary determines to be appropriate.

9 “(e) BEST PRACTICES.—

10 “(1) RECORDKEEPING.—Each eligible partici-
11 pant, and each biomass conversion facility con-
12 tracting with the eligible participant, shall maintain
13 and make available to the Secretary, at such times
14 as the Secretary may request, appropriate records of
15 methods used for activities for which payment is re-
16 ceived under this section.

17 “(2) INFORMATION SHARING.—From the
18 records maintained under subparagraph (A), the
19 Secretary shall maintain, and make available to the
20 public, information regarding—

21 “(A) the production potential (including
22 evaluation of the environmental benefits) of a
23 variety of eligible crops; and

24 “(B) best practices for producing, col-
25 lecting, harvesting, storing, and transporting el-

1 igible crops to be used in the production of ad-
2 vanced biofuels.

3 “(f) FUNDING.—

4 “(1) BIOMASS CROP TRANSITION ASSIST-
5 ANCE.—Of the funds of the Commodity Credit Cor-
6 poration, the Secretary shall use to carry out sub-
7 sections (b) and (c) \$130,000,000 for fiscal year
8 2008, to remain available until expended.

9 “(2) ASSISTANCE FOR COLLECTION, HARVEST,
10 STORAGE, AND TRANSPORT OF RENEWABLE BIO-
11 MASS.—Of the funds of the Commodity Credit Cor-
12 poration, the Secretary shall make available to carry
13 out subsection (d) \$10,000,000 for each of fiscal
14 years 2009 through 2011, to remain available until
15 expended.

16 **“SEC. 9005. BIOREFINERY AND REPOWERING ASSISTANCE.**

17 “(a) PURPOSE.—The purpose of this section is to as-
18 sist in the development of new or emerging technologies
19 for the use of renewable biomass or other sources of re-
20 newable energy—

21 “(1) to develop advanced biofuels;

22 “(2) to increase the energy independence of the
23 United States by promoting the replacement of en-
24 ergy generated from fossil fuels with energy gen-
25 erated from a renewable energy source;

1 “(3) to promote resource conservation, public
2 health, and the environment;

3 “(4) to diversify markets for raw agricultural
4 and forestry products, and agriculture waste mate-
5 rial; and

6 “(5) to create jobs and enhance the economic
7 development of the rural economy.

8 “(b) DEFINITION OF REPOWER.—In this section, the
9 term ‘repower’ means to substitute the production of heat
10 or power from a fossil fuel source with heat or power from
11 sources of renewable energy.

12 “(c) ASSISTANCE.—

13 “(1) IN GENERAL.—The Secretary shall make
14 available to eligible entities described in subsection
15 (d)—

16 “(A) grants to assist in paying the costs
17 of—

18 “(i) development and construction of
19 pilot- and demonstration-scale biorefineries
20 intended to demonstrate the commercial vi-
21 ability of 1 or more processes for con-
22 verting renewable biomass to advanced
23 biofuels;

1 “(ii) repowering a biomass conversion
2 facility, power plant, or manufacturing fa-
3 cility, in whole or in part; or

4 “(iii) conducting a study to determine
5 the feasibility of repowering a biomass con-
6 version facility, power plant, or manufac-
7 turing facility, in whole or in part; and

8 “(B) guarantees for loans made to fund—

9 “(i) the development and construction
10 of commercial-scale biorefineries; or

11 “(ii) the repowering of a biomass con-
12 version facility, power plant, or manufac-
13 turing facility, in whole or in part.

14 “(2) PREFERENCE.—In selecting projects to re-
15 ceive grants and loan guarantees under this section,
16 the Secretary shall give preference to projects that
17 receive or will receive financial support from the
18 State in which the project is carried out.

19 “(d) ELIGIBLE ENTITIES.—An eligible entity under
20 this section is—

21 “(1) an individual;

22 “(2) a corporation;

23 “(3) a farm cooperative;

24 “(4) a rural electric cooperative or public power
25 entity;

1 “(5) an association of agricultural producers;

2 “(6) a State or local energy agency or office;

3 “(7) an Indian tribe;

4 “(8) a consortium comprised of any individuals
5 or entities described in any of paragraphs (1)
6 through (7); or

7 “(9) any other similar entity, as determined by
8 the Secretary.

9 “(e) GRANTS.—

10 “(1) IN GENERAL.—The Secretary shall award
11 grants under subsection (c)(1)(A) on a competitive
12 basis.

13 “(2) SELECTION CRITERIA.—

14 “(A) GRANTS FOR DEVELOPMENT AND
15 CONSTRUCTION OF PILOT AND DEMONSTRATION
16 SCALE BIOREFINERIES.—

17 “(i) IN GENERAL.—In awarding
18 grants for development and construction of
19 pilot and demonstration scale biorefineries
20 under subsection (c)(1)(A)(i), the Sec-
21 retary shall select projects based on the
22 likelihood that the projects will dem-
23 onstrate the commercial viability of a new
24 or emerging process for converting renew-
25 able biomass into advanced biofuels.

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1 “(ii) FACTORS.—The factors to be
2 considered under clause (i) may include—

3 “(I) the potential market for 1 or
4 more products;

5 “(II) the level of financial partici-
6 pation by the applicants;

7 “(III) the availability of adequate
8 funding from other sources;

9 “(IV) the participation of pro-
10 ducer associations and cooperatives;

11 “(V) the beneficial impact on re-
12 source conservation, public health,
13 and the environment;

14 “(VI) the timeframe in which the
15 project will be operational;

16 “(VII) the potential for rural eco-
17 nomic development;

18 “(VIII) the participation of mul-
19 tiple eligible entities; and

20 “(IX) the potential for developing
21 advanced industrial biotechnology ap-
22 proaches.

23 “(B) GRANTS FOR REPOWERING.—In se-
24 lecting projects to receive grants for repowering

1 under clauses (ii) and (iii) of subsection
2 (c)(1)(A), the Secretary shall consider—

3 “(i) the change in energy efficiency
4 that would result from the proposed
5 repowering of the eligible entity;

6 “(ii) the reduction in fossil fuel use
7 that would result from the proposed
8 repowering; and

9 “(iii) the volume of renewable biomass
10 located in such proximity to the eligible en-
11 tity as to make local sourcing of feedstock
12 economically practicable.

13 “(3) COST SHARING.—

14 “(A) LIMITS.—

15 “(i) DEVELOPMENT AND CONSTRU-
16 CTION OF PILOT AND DEMONSTRATION
17 SCALE BIOREFINERIES.—The amount of a
18 grant awarded for development and con-
19 struction of a biorefinery under subsection
20 (c)(1)(A)(i) shall not exceed 50 percent of
21 the cost of the project.

22 “(ii) REPOWERING.—The amount of a
23 grant awarded for repowering under sub-
24 section (c)(1)(A)(ii) shall not exceed 20
25 percent of the cost of the project.

1 “(iii) FEASIBILITY STUDY FOR
2 REPOWERING.—The amount of a grant
3 awarded for a feasibility study for
4 repowering under subsection (c)(1)(A)(iii)
5 shall not exceed an amount equal to the
6 lesser of—

7 “(I) an amount equal to 50 per-
8 cent of the total cost of conducting
9 the feasibility study; and

10 “(II) \$150,000.

11 “(B) FORM OF GRANTEE SHARE.—

12 “(i) IN GENERAL.—The grantee share
13 of the cost of a project may be made in the
14 form of cash or the provision of services,
15 material, or other in-kind contributions.

16 “(ii) LIMITATION.—The amount of
17 the grantee share of the cost of a project
18 that is made in the form of the provision
19 of services, material, or other in-kind con-
20 tributions shall not exceed 15 percent of
21 the amount of the grantee share deter-
22 mined under subparagraph (A).

23 “(f) LOAN GUARANTEES.—

1 “(1) CONDITIONS.—As a condition of making a
2 loan guarantee under subsection (c)(1)(B), the Sec-
3 retary shall require—

4 “(A) demonstration of binding commit-
5 ments to cover, from sources other than Fed-
6 eral funds, at least 20 percent of the total cost
7 of the project described in the application;

8 “(B) in the case of a new or emerging
9 technology, demonstration that the project de-
10 sign has been validated through a technical re-
11 view and subsequent operation of a pilot or
12 demonstration scale facility that can be scaled
13 up to commercial size; and

14 “(C) demonstration that the applicant pro-
15 vided opportunities to local investors (as deter-
16 mined by the Secretary) to participate in the fi-
17 nancing or ownership of the biorefinery.

18 “(2) LOCAL OWNERSHIP.—The Secretary shall
19 give preference under subsection (c)(1)(B) to appli-
20 cations for projects with significant local ownership.

21 “(3) APPROVAL.—Not later than 90 days after
22 the Secretary receives an application for a loan
23 guarantee under subsection (c)(1)(B), the Secretary
24 shall approve or disapprove the application.

25 “(4) LIMITATIONS.—

1 “(A) MAXIMUM AMOUNT OF LOAN GUAR-
2 ANTEED.—

3 “(i) COMMERCIAL-SCALE BIOREFIN-
4 ERIES.—Subject to clause (iii), the prin-
5 cipal amount of a loan guaranteed under
6 subsection (c)(1)(B)(i) may not exceed
7 \$250,000,000.

8 “(ii) REPOWERING.—Subject to clause
9 (iii), the principal amount of a loan guar-
10 anteed under subsection (c)(1)(B)(ii) may
11 not exceed \$70,000,000.

12 “(iii) RELATIONSHIP TO OTHER FED-
13 ERAL FUNDING.—The amount of a loan
14 guaranteed under subsection (c)(1)(B)
15 shall be reduced by the amount of other
16 Federal funding that the entity receives for
17 the same project.

18 “(B) MAXIMUM PERCENTAGE OF LOAN
19 GUARANTEED.—A loan guaranteed under sub-
20 section (c)(1)(B) shall be in an amount not to
21 exceed 80 percent of the project costs, as deter-
22 mined by the Secretary.

23 “(C) AUTHORITY TO GUARANTEE ENTIRE
24 AMOUNT OF THE LOAN.—The Secretary may
25 guarantee up to 100 percent of the principal

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1 and interest due on a loan guaranteed under
2 subsection (c)(1)(B).

3 “(g) CONSULTATION.—In carrying out this section,
4 the Secretary shall consult with the Secretary of Energy.

5 “(h) FUNDING.—Of the funds of the Commodity
6 Credit Corporation, the Secretary shall use for the cost
7 of grants and loan guarantees to carry out this section
8 \$300,000,000 for fiscal year 2008, to remain available
9 until expended.

10 **“SEC. 9006. BIOENERGY PROGRAM FOR ADVANCED**
11 **BIOFUELS.**

12 “(a) DEFINITION OF ELIGIBLE PRODUCER.—In this
13 section, the term ‘eligible producer’ means a producer of
14 advanced biofuels.

15 “(b) PAYMENTS.—The Secretary shall make pay-
16 ments to eligible producers to encourage increased pur-
17 chases of renewable biomass for the purpose of expanding
18 production of, and supporting new production capacity for,
19 advanced biofuels.

20 “(c) CONTRACTS.—To receive a payment, an eligible
21 producer shall—

22 “(1) enter into a contract with the Secretary to
23 increase production of advanced biofuels for 1 or
24 more fiscal years; and

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1 “(2) submit to the Secretary such records as
2 the Secretary may require as evidence of increased
3 purchase and use of renewable biomass for the pro-
4 duction of advanced biofuels.

5 “(d) BASIS FOR PAYMENTS.—The Secretary shall
6 make payments under this section to eligible producers
7 based on—

8 “(1) the level of production by the eligible pro-
9 ducer of an advanced biofuel;

10 “(2) the price of each renewable biomass feed-
11 stock used for production of the advanced biofuel;

12 “(3) the net nonrenewable energy content of the
13 advanced biofuel, if sufficient data is available, as
14 determined by the Secretary; and

15 “(4) other appropriate factors, as determined
16 by the Secretary.

17 “(e) OVERPAYMENTS.—If the total amount of pay-
18 ments that an eligible producer receives for a fiscal year
19 under this section exceeds the amount that the eligible
20 producer should have received, the eligible producer shall
21 repay the amount of the overpayment to the Secretary,
22 with interest (as determined by the Secretary).

23 “(f) LIMITATIONS.—

24 “(1) EQUITABLE DISTRIBUTION.—The Sec-
25 retary may limit the amount of payments that may

1 be received by a single eligible producer under this
2 section in order to distribute the total amount of
3 funding available in an equitable manner.

4 “(2) INELIGIBILITY.—An eligible producer that
5 claims a credit allowed under section 40(a)(3) or
6 40A(a)(3) of the Internal Revenue Code of 1986
7 shall not be eligible to receive payments under sub-
8 section (d).

9 “(3) REFINING CAPACITY.—An eligible pro-
10 ducer may not use any funds received under this
11 section for an advanced biofuel production facility or
12 other fuel refinery the total refining capacity of
13 which is more than 150,000,000 gallons per year.

14 “(g) OTHER REQUIREMENTS.—To receive a payment
15 under this section, an eligible producer shall meet any
16 other requirements of Federal and State law (including
17 regulations) applicable to the production of advanced
18 biofuels.

19 “(h) FUNDING.—Of the funds of the Commodity
20 Credit Corporation, the Secretary shall use to carry out
21 this section \$245,000,000 for the period of fiscal years
22 2008 through 2012, to remain available until expended.

23 **“SEC. 9007. RURAL ENERGY FOR AMERICA PROGRAM.**

24 “(a) ESTABLISHMENT.—The Secretary, in consulta-
25 tion with the Secretary of Energy, shall establish a Rural

1 Energy for America Program to promote energy efficiency
2 and renewable energy development for agricultural pro-
3 ducers, cooperatives, rural small businesses, and other
4 similar entities through—

5 “(1) grants for energy audits and renewable en-
6 ergy development assistance;

7 “(2) financial assistance for energy efficiency
8 improvements and renewable energy systems; and

9 “(3) financial assistance for facilities to convert
10 animal manure to energy.

11 “(b) ENERGY AUDITS AND RENEWABLE ENERGY
12 DEVELOPMENT ASSISTANCE.—

13 “(1) IN GENERAL.—The Secretary shall make
14 competitive grants to eligible entities to provide as-
15 sistance to agricultural producers and rural small
16 businesses—

17 “(A) to become more energy efficient; and

18 “(B) to use renewable energy technology
19 and resources.

20 “(2) ELIGIBLE ENTITIES.—An eligible entity
21 under this subsection is—

22 “(A) a State agency;

23 “(B) a regional, State-based, or tribal en-
24 ergy organization;

1 “(C) a land-grant college or university or
2 other institution of higher education;

3 “(D) a rural electric cooperative or public
4 power entity;

5 “(E) a nonprofit organization; and

6 “(F) any other similar entity, as deter-
7 mined by the Secretary.

8 “(3) MERIT REVIEW.—

9 “(A) MERIT REVIEW PROCESS.—The Sec-
10 retary shall establish a merit review process to
11 review applications for grants under paragraph
12 (1) that uses the expertise of other Federal
13 agencies, industry, and nongovernmental orga-
14 nizations.

15 “(B) SELECTION CRITERIA.—In reviewing
16 applications of eligible entities to receive grants
17 under paragraph (1), the Secretary shall con-
18 sider—

19 “(i) the ability and expertise of the el-
20 igible entity in providing professional en-
21 ergy audits and renewable energy assess-
22 ments;

23 “(ii) the geographic scope of the pro-
24 gram proposed by the eligible entity in re-
25 lation to the identified need;

1 “(iii) the number of agricultural pro-
2 ducers and rural small businesses to be as-
3 sisted by the program;

4 “(iv) the potential for energy savings
5 and environmental and public health bene-
6 fits resulting from the program; and

7 “(v) the plan of the eligible entity for
8 providing information to agricultural pro-
9 ducers and rural small businesses on the
10 benefits of energy efficiency and renewable
11 energy development.

12 “(4) USE OF GRANT FUNDS.—

13 “(A) REQUIRED USES.—A recipient of a
14 grant under paragraph (1) shall use the grant
15 funds to conduct and promote energy audits for
16 agricultural producers and rural small busi-
17 nesses to provide recommendations on how to
18 improve energy efficiency and use renewable en-
19 ergy technology and resources.

20 “(B) PERMITTED USES.—In addition to
21 the uses described in subparagraph (A), a re-
22 cipient of a grant may use the grant funds to
23 make agricultural producers and rural small
24 businesses aware of—

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1 “(i) financial assistance under sub-
2 section (c); and

3 “(ii) other Federal, State, and local fi-
4 nancial assistance programs for which the
5 agricultural producers and rural small
6 businesses may be eligible.

7 “(5) COST SHARING.—A recipient of a grant
8 under paragraph (1) that conducts an energy audit
9 for an agricultural producer or rural small business
10 under paragraph (4)(A) shall require that, as a con-
11 dition of the energy audit, the agricultural producer
12 or rural small business pay at least 25 percent of
13 the cost of the energy audit, which shall be retained
14 by the eligible entity for the cost of the energy audit.

15 “(c) FINANCIAL ASSISTANCE FOR ENERGY EFFI-
16 CIENCY IMPROVEMENTS AND RENEWABLE ENERGY SYS-
17 TEMS.—

18 “(1) IN GENERAL.—In addition to any similar
19 authority, the Secretary shall provide loan guaran-
20 tees, grants, and production-based incentives to agri-
21 cultural producers and rural small businesses—

22 “(A) to purchase renewable energy sys-
23 tems, including systems that may be used to
24 produce and sell electricity; and

1 “(B) to make energy efficiency improve-
2 ments.

3 “(2) AWARD CONSIDERATIONS.—In determining
4 the amount of a grant, loan guarantee, or produc-
5 tion-based incentive provided under this section, the
6 Secretary shall take into consideration, as applica-
7 ble—

8 “(A) the type of renewable energy system
9 to be purchased;

10 “(B) the estimated quantity of energy to
11 be generated by the renewable energy system;

12 “(C) the expected environmental benefits
13 of the renewable energy system;

14 “(D) the quantity of energy savings ex-
15 pected to be derived from the activity, as dem-
16 onstrated by an energy audit comparable to an
17 energy audit under subsection (b);

18 “(E) the estimated period of time for the
19 energy savings generated by the activity to
20 equal the cost of the activity;

21 “(F) the expected energy efficiency of the
22 renewable energy system; and

23 “(G) other appropriate factors.

24 “(3) FEASIBILITY STUDIES.—

1 “(A) IN GENERAL.—The Secretary may
2 provide assistance in the form of grants to an
3 agricultural producer or rural small business to
4 conduct a feasibility study for a project for
5 which assistance may be provided under this
6 subsection.

7 “(B) LIMITATION.—The Secretary shall
8 use not more than 10 percent of the funds
9 made available to carry out this subsection to
10 provide assistance described in subparagraph
11 (A).

12 “(C) AVOIDANCE OF DUPLICATIVE ASSIST-
13 ANCE.—An entity shall be ineligible to receive
14 assistance to carry out a feasibility study for a
15 project under this paragraph if the entity has
16 received Federal or State assistance for a feasi-
17 bility study for the project.

18 “(4) LIMITS.—

19 “(A) GRANTS.—The amount of a grant
20 under this subsection shall not exceed 25 per-
21 cent of the cost of the activity carried out using
22 funds from the grant.

23 “(B) LOAN GUARANTEES.—

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1 “(i) MAXIMUM AMOUNT.—The
2 amount of a loan guaranteed under this
3 subsection shall not exceed \$25,000,000.

4 “(ii) MAXIMUM PERCENTAGE.—A loan
5 guaranteed under this subsection shall not
6 exceed 75 percent of the cost of the activ-
7 ity carried out using funds from the loan.

8 “(5) PRODUCTION-BASED INCENTIVE PAY-
9 MENTS IN LIEU OF GRANTS.—

10 “(A) IN GENERAL.—In addition to the au-
11 thority under subsection (b), to encourage the
12 production of electricity from renewable energy
13 systems, the Secretary, on receipt of a request
14 of an eligible applicant under this section, shall
15 make production-based incentive payments to
16 the applicant in lieu of a grant.

17 “(B) CONTINGENCY.—A payment under
18 subparagraph (A) shall be contingent on docu-
19 mented energy production and sales by the re-
20 newable energy system of the eligible applicant
21 to a third party.

22 “(C) LIMITATION.—The total net present
23 value of a production-based incentive payment
24 under this paragraph shall not exceed the lesser
25 of—

1 “(i) an amount equal to 25 percent of
2 the eligible project costs, as determined by
3 the Secretary; and

4 “(ii) such other limit as the Secretary
5 may establish, by rule or guidance.

6 “(d) FINANCIAL ASSISTANCE FOR FACILITIES TO
7 CONVERT ANIMAL MANURE TO ENERGY.—

8 “(1) DEFINITION OF ANIMAL MANURE.—In this
9 subsection, the term ‘animal manure’ means agricul-
10 tural livestock excrement, including litter, wood
11 shavings, straw, rice hulls, bedding material, and
12 other materials incidentally collected with the ma-
13 nure.

14 “(2) GRANTS AND LOAN GUARANTEES.—The
15 Secretary shall make grants and loan guarantees to
16 eligible entities on a competitive basis for the instal-
17 lation, operation, and evaluation of facilities de-
18 scribed in paragraph (4).

19 “(3) ELIGIBLE ENTITIES.—To be eligible to re-
20 ceive a grant or loan guarantee under this sub-
21 section, an entity shall be—

22 “(A) an agricultural producer;

23 “(B) a rural small business;

24 “(C) a rural cooperative; or

1 “(D) any other similar entity, as deter-
2 mined by the Secretary.

3 “(4) ELIGIBLE FACILITIES.—

4 “(A) IN GENERAL.—Subject to subpara-
5 graphs (B) through (E), an eligible entity may
6 receive a grant or loan guarantee under this
7 subsection for the installation, first-year oper-
8 ation, and evaluation of an on-farm or commu-
9 nity facility (such as a digester or power gener-
10 ator using manure for fuel) the primary func-
11 tion of which is to convert animal manure into
12 a useful form of energy (including gaseous or
13 liquid fuel or electricity).

14 “(B) SUBSYSTEMS INCLUDED.—Funds
15 from a grant and loan guarantee under sub-
16 paragraph (A) may be used for systems that
17 support an on-farm or community facility de-
18 scribed in that subparagraph, which may in-
19 clude feedstock gathering systems and gas pip-
20 ing systems.

21 “(C) CONVERSION OF RENEWABLE BIO-
22 MASS.—An eligible entity may use a grant or
23 loan guarantee provided under this subsection
24 to convert renewable biomass other than animal
25 manure (such as waste materials from food

1 processing facilities and other green wastes)
2 into energy at a facility if the majority of mate-
3 rials converted into energy at the facility is ani-
4 mal manure.

5 “(D) DEVELOPMENT AND DEMONSTRA-
6 TION OF NEW TECHNOLOGIES.—An eligible en-
7 tity may use a grant or loan guarantee provided
8 under this subsection for the installation, dem-
9 onstration, and first 2 years of operation of an
10 on-farm or community facility that uses ma-
11 nure-to-energy technologies—

12 “(i) that are not in commercial use, as
13 determined by the Secretary; and

14 “(ii) for which sufficient research has
15 been conducted for the Secretary to deter-
16 mine that the technology is commercially
17 viable.

18 “(5) SELECTION OF ELIGIBLE ENTITIES.—In
19 selecting applications for grants and loan guarantees
20 under this subsection, the Secretary shall consider—

21 “(A) the quality of energy produced; and

22 “(B) the projected net energy conversion
23 efficiency, which shall be equal to the quotient
24 obtained by dividing—

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1 “(i) the energy output of the eligible
2 facility; by

3 “(ii) the sum of—

4 “(I) the energy content of animal
5 manure at the point of collection; and

6 “(II) the energy consumed in fa-
7 cility operations, including feedstock
8 transportation;

9 “(C) environmental issues, including poten-
10 tial positive and negative impacts on water
11 quality, air quality, odor emissions, pathogens,
12 and soil quality resulting from—

13 “(i) the use and conversion of animal
14 manure into energy;

15 “(ii) the installation and operation of
16 the facility; and

17 “(iii) the disposal of any waste prod-
18 ucts (including effluent) from the facility;

19 “(D) the net impact of the facility and any
20 waste from the facility on greenhouse gas emis-
21 sions, based on the estimated emissions from
22 manure storage systems in use before the in-
23 stallation of the manure-to-energy facility;

24 “(E) diversity factors, including diversity
25 of—

1 “(i) sizes of projects supported; and

2 “(ii) geographic locations; and

3 “(F) the proposed project costs and levels
4 of grants or loan guarantees requested.

5 “(6) AMOUNT.—

6 “(A) GRANTS.—

7 “(i) SMALLER PROJECTS.—In the
8 case of a project with a total eligible cost
9 (as described in paragraph (4)) of not
10 more than \$500,000, the amount of a
11 grant made under this subsection shall not
12 exceed 50 percent of the total eligible cost.

13 “(ii) LARGER PROJECTS.—In the case
14 of a project with a total eligible cost (as
15 described in paragraph (4)) of more than
16 \$500,000, the amount of a grant made
17 under this subsection shall not exceed the
18 greater of—

19 “(I) \$250,000; or

20 “(II) 25 percent of the total eligi-
21 ble cost.

22 “(iii) MAXIMUM.—In no case shall the
23 amount of a grant made under this section
24 exceed \$2,000,000.

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1 “(B) LOAN GUARANTEES.—The principal
2 amount and interest of a loan guaranteed under
3 this subsection may not exceed the lesser of—

4 “(i) 80 percent of the difference be-
5 tween—

6 “(I) the total cost to install and
7 operate the eligible facility for the
8 first year, as determined by the Sec-
9 retary; and

10 “(II) the amount of any Federal,
11 State, and local funds received to sup-
12 port the eligible facility; and

13 “(ii) \$25,000,000.

14 “(7) PROHIBITION.—A grant or loan guarantee
15 may not be provided for a project under this sub-
16 section that also receives assistance under subsection
17 (b) or (c).

18 “(e) ROLE OF STATE RURAL DEVELOPMENT DIREC-
19 TOR.—

20 “(1) OUTREACH AND AVAILABILITY OF INFOR-
21 MATION.—

22 “(A) OUTREACH.—A State rural develop-
23 ment director, acting through local rural devel-
24 opment offices, shall provide outreach regarding

1 the availability of financial assistance under
2 this section.

3 “(B) AVAILABILITY OF INFORMATION.—A
4 State rural development director shall make
5 available information relating to the availability
6 of financial assistance under this section at all
7 local rural development, Farm Service Agency,
8 and Natural Resources Conservation Service of-
9 fices.

10 “(2) APPLICATION REVIEW.—Applications for
11 assistance under this section shall be reviewed by the
12 appropriate State rural development director.

13 “(f) SMALL PROJECTS.—

14 “(1) APPLICATION AND REVIEW PROCESS.—
15 The Secretary shall develop a streamlined applica-
16 tion and expedited review process for project appli-
17 cants seeking less than \$20,000 under this section.

18 “(2) PERCENTAGE OF FUNDS.—Not less than
19 20 percent of the funds made available under sub-
20 section (k)(1) shall be made available to make
21 grants under this section in an amount of less than
22 \$20,000.

23 “(g) PREFERENCE.—In selecting projects to receive
24 grants under this section, the Secretary shall give pref-

1 erence to projects that receive or will receive financial sup-
2 port from the State in which the project is carried out.

3 “(h) RURAL ENERGY STAR.—The Secretary, in co-
4 ordination with the Administrator and the Secretary of
5 Energy, shall extend the Energy Star program established
6 by section 324A of the Energy Policy and Conservation
7 Act (42 U.S.C. 6294a) to include a Rural Energy Star
8 component to promote the development and use of energy-
9 efficient equipment and facilities in the agricultural sector.

10 “(i) REPORTS.—Not later than 4 years after the date
11 of enactment of the Food and Energy Security Act of
12 2007, the Secretary shall submit to Congress a report on
13 the implementation of this section, including the outcomes
14 achieved by projects funded under this section.

15 “(j) FUNDING.—

16 “(1) COMMODITY CREDIT CORPORATION.—Of
17 the funds of the Commodity Credit Corporation, the
18 Secretary shall make available \$230,000,000 to
19 carry out subsections (c) and (d) for fiscal year
20 2008, to remain available until expended, of which
21 not less than 15 percent shall be used to carry out
22 subsection (d).

23 “(2) AUTHORIZATION OF APPROPRIATIONS.—In
24 addition to any other funds made available to carry
25 out this section, there are authorized to be appro-

1 priated such sums as are necessary to carry out this
2 section for each of fiscal years 2008 through 2012.

3 **“SEC. 9008. BIOMASS RESEARCH AND DEVELOPMENT ACT**
4 **OF 2000.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) BIOBASED PRODUCT.—The term ‘biobased
7 product’ means—

8 “(A) an industrial product (including
9 chemicals, materials, and polymers) produced
10 from biomass; and

11 “(B) a commercial or industrial product
12 (including animal feed and electric power) de-
13 rived in connection with the conversion of bio-
14 mass to fuel.

15 “(2) DEMONSTRATION.—The term ‘demonstra-
16 tion’ means demonstration of technology in a pilot
17 plant or semi-works scale facility.

18 “(3) INITIATIVE.—The term ‘Initiative’ means
19 the Biomass Research and Development Initiative
20 established under subsection (e).

21 “(4) NATIONAL LABORATORY.—The term ‘Na-
22 tional Laboratory’ has the meaning given that term
23 in section 2 of the Energy Policy Act of 2005 (42
24 U.S.C. 15801).

1 “(5) POINT OF CONTACT.—The term ‘point of
2 contact’ means a point of contact designated under
3 this section.

4 “(b) COOPERATION AND COORDINATION IN BIOMASS
5 RESEARCH AND DEVELOPMENT.—

6 “(1) IN GENERAL.—The Secretary of Agri-
7 culture and the Secretary of Energy shall cooperate
8 with respect to, and coordinate, policies and proce-
9 dures that promote research and development lead-
10 ing to the production of biofuels and biobased prod-
11 ucts.

12 “(2) POINTS OF CONTACT.—

13 “(A) IN GENERAL.—To coordinate re-
14 search and development programs and activities
15 relating to biofuels and biobased products that
16 are carried out by their respective depart-
17 ments—

18 “(i) the Secretary of Agriculture shall
19 designate, as the point of contact for the
20 Department of Agriculture, an officer of
21 the Department of Agriculture appointed
22 by the President to a position in the De-
23 partment before the date of the designa-
24 tion, by and with the advice and consent of
25 the Senate; and

1 “(ii) the Secretary of Energy shall
2 designate, as the point of contact for the
3 Department of Energy, an officer of the
4 Department of Energy appointed by the
5 President to a position in the Department
6 before the date of the designation, by and
7 with the advice and consent of the Senate.

8 “(B) DUTIES.—The points of contact shall
9 jointly—

10 “(i) assist in arranging interlabora-
11 tory and site-specific supplemental agree-
12 ments for research and development
13 projects relating to biofuels and biobased
14 products;

15 “(ii) serve as cochairpersons of the
16 Board;

17 “(iii) administer the Initiative; and

18 “(iv) respond in writing to each rec-
19 ommendation of the Advisory Committee
20 made under subsection (d).

21 “(c) BIOMASS RESEARCH AND DEVELOPMENT
22 BOARD.—

23 “(1) ESTABLISHMENT.—There is established
24 the Biomass Research and Development Board,
25 which shall supersede the Interagency Council on

1 Biobased Products and Bioenergy established by Ex-
2 ecutive Order No. 13134 (7 U.S.C. 8101 note), to
3 coordinate programs within and among departments
4 and agencies of the Federal Government for the pur-
5 pose of promoting the use of biofuels and biobased
6 products by—

7 “(A) maximizing the benefits deriving from
8 Federal grants and assistance; and

9 “(B) bringing coherence to Federal stra-
10 tegic planning.

11 “(2) MEMBERSHIP.—The Board shall consist
12 of—

13 “(A) the point of contact of the Depart-
14 ment of Energy designated under subsection
15 (b)(2)(A)(ii), who shall serve as cochairperson
16 of the Board;

17 “(B) the point of contact of the Depart-
18 ment of Agriculture designated under sub-
19 section (b)(2)(A)(i), who shall serve as cochair-
20 person of the Board;

21 “(C) a senior officer of each of the Depart-
22 ment of the Interior, the Environmental Protec-
23 tion Agency, the National Science Foundation,
24 and the Office of Science and Technology Pol-
25 icy, each of whom shall—

1 “(i) be appointed by the head of the
2 respective agency; and

3 “(ii) have a rank that is equivalent to
4 the rank of the points of contact; and

5 “(D) at the option of the Secretary of Ag-
6 riculture and the Secretary of Energy, other
7 members appointed by the Secretaries (after
8 consultation with the members described in sub-
9 paragraphs (A) through (C)).

10 “(3) DUTIES.—The Board shall—

11 “(A) coordinate research and development
12 activities relating to biofuels and biobased prod-
13 ucts—

14 “(i) between the Department of Agri-
15 culture and the Department of Energy;
16 and

17 “(ii) with other departments and
18 agencies of the Federal Government;

19 “(B) provide recommendations to the
20 points of contact concerning administration of
21 this title;

22 “(C) ensure that—

23 “(i) solicitations are open and com-
24 petitive with awards made annually; and

1 “(ii) objectives and evaluation criteria
2 of the solicitations are clearly stated and
3 minimally prescriptive, with no areas of
4 special interest; and

5 “(D) ensure that the panel of scientific
6 and technical peers assembled under subsection
7 (e) to review proposals is composed predomi-
8 nantly of independent experts selected from out-
9 side the Departments of Agriculture and En-
10 ergy.

11 “(4) FUNDING.—Each agency represented on
12 the Board is encouraged to provide funds for any
13 purpose under this section.

14 “(5) MEETINGS.—The Board shall meet at
15 least quarterly to enable the Board to carry out the
16 duties of the Board under paragraph (3).

17 “(d) BIOMASS RESEARCH AND DEVELOPMENT
18 TECHNICAL ADVISORY COMMITTEE.—

19 “(1) ESTABLISHMENT.—There is established
20 the Biomass Research and Development Technical
21 Advisory Committee, which shall supersede the Advi-
22 sory Committee on Biobased Products and Bio-
23 energy established by Executive Order No. 13134 (7
24 U.S.C. 8101 note)—

1 “(A) to advise the Secretary of Energy, the
2 Secretary of Agriculture, and the points of con-
3 tact concerning—

4 “(i) the distribution of funding;

5 “(ii) the technical focus and direction
6 of requests for proposals issued under the
7 Initiative; and

8 “(iii) procedures for reviewing and
9 evaluating the proposals;

10 “(B) to facilitate consultations and part-
11 nerships among Federal and State agencies, ag-
12 ricultural producers, industry, consumers, the
13 research community, and other interested
14 groups to carry out program activities relating
15 to the Initiative; and

16 “(C) to evaluate and perform strategic
17 planning on program activities relating to the
18 Initiative.

19 “(2) MEMBERSHIP.—

20 “(A) IN GENERAL.—The Advisory Com-
21 mittee shall consist of—

22 “(i) an individual affiliated with the
23 biofuels industry;

1 “(ii) an individual affiliated with the
2 biobased industrial and commercial prod-
3 ucts industry;

4 “(iii) an individual affiliated with an
5 institution of higher education who has ex-
6 pertise in biofuels and biobased products;

7 “(iv) 2 prominent engineers or sci-
8 entists from government or academia who
9 have expertise in biofuels and biobased
10 products;

11 “(v) an individual affiliated with a
12 commodity trade association;

13 “(vi) 2 individuals affiliated with an
14 environmental or conservation organiza-
15 tion;

16 “(vii) an individual associated with
17 State government who has expertise in
18 biofuels and biobased products;

19 “(viii) an individual with expertise in
20 energy and environmental analysis;

21 “(ix) an individual with expertise in
22 the economics of biofuels and biobased
23 products;

24 “(x) an individual with expertise in
25 agricultural economics;

1 “(xi) an individual with expertise in
2 plant biology and biomass feedstock devel-
3 opment; and

4 “(xii) at the option of the points of
5 contact, other members.

6 “(B) APPOINTMENT.—The members of the
7 Advisory Committee shall be appointed by the
8 points of contact.

9 “(3) DUTIES.—The Advisory Committee
10 shall—

11 “(A) advise the points of contact with re-
12 spect to the Initiative; and

13 “(B) evaluate whether, and make rec-
14 ommendations in writing to the Board to en-
15 sure that—

16 “(i) funds authorized for the Initiative
17 are distributed and used in a manner that
18 is consistent with the objectives, purposes,
19 and considerations of the Initiative;

20 “(ii) solicitations are open and com-
21 petitive with awards made annually and
22 that objectives and evaluation criteria of
23 the solicitations are clearly stated and
24 minimally prescriptive, with no areas of
25 special interest;

1 “(iii) the points of contact are funding
2 proposals under this title that are selected
3 on the basis of merit, as determined by an
4 independent panel of scientific and tech-
5 nical peers predominantly from outside the
6 Departments of Agriculture and Energy;
7 and

8 “(iv) activities under this section are
9 carried out in accordance with this section.

10 “(4) COORDINATION.—To avoid duplication of
11 effort, the Advisory Committee shall coordinate the
12 activities of the Advisory Committee with activities
13 of other Federal advisory committees working in re-
14 lated areas.

15 “(5) MEETINGS.—The Advisory Committee
16 shall meet at least quarterly to enable the Advisory
17 Committee to carry out the duties of the Advisory
18 Committee.

19 “(6) TERMS.—Members of the Advisory Com-
20 mittee shall be appointed for a term of 3 years.

21 “(e) BIOMASS RESEARCH AND DEVELOPMENT INI-
22 TIATIVE.—

23 “(1) IN GENERAL.—The Secretary of Agri-
24 culture and the Secretary of Energy, acting through
25 their respective points of contact and in consultation

1 with the Board, shall establish and carry out a Bio-
2 mass Research and Development Initiative under
3 which competitively awarded grants, contracts, and
4 financial assistance are provided to, or entered into
5 with, eligible entities to carry out research on, and
6 development and demonstration of, biofuels and
7 biobased products, and the methods, practices, and
8 technologies, for the production of the fuels and
9 product.

10 “(2) OBJECTIVES.—The objectives of the Initia-
11 tive are to develop—

12 “(A) technologies and processes necessary
13 for abundant commercial production of biofuels
14 at prices competitive with fossil fuels;

15 “(B) high-value biobased products—

16 “(i) to enhance the economic viability
17 of biofuels and bioenergy;

18 “(ii) as substitutes for petroleum-
19 based feedstocks and products; and

20 “(iii) to enhance the value of coprod-
21 ucts produced using the technologies and
22 processes; and

23 “(C) a diversity of sustainable domestic
24 sources of renewable biomass for conversion to
25 biofuels, bioenergy, and biobased products.

1 “(3) PURPOSES.—The purposes of the Initiative
2 are—

3 “(A) to increase the energy security of the
4 United States;

5 “(B) to create jobs and enhance the eco-
6 nomic development of the rural economy;

7 “(C) to enhance the environment and pub-
8 lic health; and

9 “(D) to diversify markets for raw agricul-
10 tural and forestry products.

11 “(4) TECHNICAL AREAS.—To advance the ob-
12 jectives and purposes of the Initiative, the Secretary
13 of Agriculture and the Secretary of Energy, in con-
14 sultation with the Administrator of the Environ-
15 mental Protection Agency and heads of other appro-
16 priate departments and agencies (referred to in this
17 subsection as the ‘Secretaries’), shall direct research,
18 development, and demonstration toward—

19 “(A) feedstocks and feedstock systems rel-
20 evant to production of raw materials for conver-
21 sion to biofuels and biobased products, includ-
22 ing—

23 “(i) development of advanced and
24 dedicated crops with desired features, in-
25 cluding enhanced productivity, broader site

1 range, low requirements for chemical in-
2 puts, and enhanced processing;

3 “(ii) advanced crop production meth-
4 ods to achieve the features described in
5 clause (i) and suitable assay techniques for
6 those features;

7 “(iii) feedstock harvest, handling,
8 transport, and storage;

9 “(iv) strategies for integrating feed-
10 stock production into existing managed
11 land; and

12 “(v) improving the value and quality
13 of coproducts, including material used for
14 animal feeding;

15 “(B) development of cost-effective tech-
16 nologies for the use of cellulosic biomass in the
17 production of biofuels and biobased products,
18 including—

19 “(i) pretreatment in combination with
20 enzymatic or microbial hydrolysis;

21 “(ii) thermochemical approaches, in-
22 cluding gasification and pyrolysis; and

23 “(iii) self-processing crops that ex-
24 press enzymes capable of degrading cel-
25 lulosic biomass;

1 “(C) product diversification through tech-
2 nologies relevant to production of a range of
3 biobased products (including chemicals, animal
4 feeds, and cogenerated power) that eventually
5 can increase the feasibility of fuel production in
6 a biorefinery, including—

7 “(i) catalytic processing, including
8 thermochemical fuel production;

9 “(ii) metabolic engineering, enzyme
10 engineering, and fermentation systems for
11 biological production of desired products,
12 coproducts, or cogeneration of power;

13 “(iii) product recovery;

14 “(iv) power production technologies;

15 “(v) integration into existing renew-
16 able biomass processing facilities, including
17 starch ethanol plants, sugar processing or
18 refining plants, paper mills, and power
19 plants;

20 “(vi) enhancement of products and co-
21 products, including dried distillers grains;
22 and

23 “(vii) technologies that allow for cost-
24 effective harvest, handling, transport, and
25 storage; and

1 “(D) analysis that provides strategic guid-
2 ance for the application of renewable biomass
3 technologies in accordance with realization of
4 improved sustainability and environmental qual-
5 ity, cost effectiveness, security, and rural eco-
6 nomic development, usually featuring system-
7 wide approaches, including the harvest, han-
8 dling, transport, and storage of renewable bio-
9 mass.

10 “(5) ADDITIONAL CONSIDERATIONS.—Within
11 the technical areas described in paragraph (4), and
12 in addition to advancing the purposes described in
13 paragraph (3) and the objectives described in para-
14 graph (2), the Secretaries shall support research and
15 development—

16 “(A) to create continuously expanding op-
17 portunities for participants in existing biofuels
18 production by seeking synergies and continuity
19 with current technologies and practices, such as
20 improvements in dried distillers grains and
21 other biofuel production coproducts for use as
22 bridge feedstocks;

23 “(B) to maximize the environmental, eco-
24 nomic, and social benefits of production of
25 biofuels and biobased products on a large scale

1 through life-cycle economic and environmental
2 analysis and other means; and

3 “(C) to assess the potential of Federal
4 land and land management programs as feed-
5 stock resources for biofuels and biobased prod-
6 ucts, consistent with the integrity of soil and
7 water resources and with other environmental
8 considerations.

9 “(6) ELIGIBLE ENTITIES.—To be eligible for a
10 grant, contract, or assistance under this subsection,
11 an applicant shall be—

12 “(A) an institution of higher education;

13 “(B) a National Laboratory;

14 “(C) a Federal research agency;

15 “(D) a State research agency;

16 “(E) a private sector entity;

17 “(F) a nonprofit organization; or

18 “(G) a consortium of 2 or more entities de-
19 scribed in subparagraphs (A) through (F).

20 “(7) ADMINISTRATION.—

21 “(A) IN GENERAL.—After consultation
22 with the Board, the points of contact shall—

23 “(i) publish annually 1 or more joint
24 requests for proposals for grants, con-

1 tracts, and assistance under this sub-
2 section;

3 “(ii) require that grants, contracts,
4 and assistance under this section be
5 awarded competitively, on the basis of
6 merit, after the establishment of proce-
7 dures that provide for scientific peer review
8 by an independent panel of scientific and
9 technical peers;

10 “(iii) give partial preference to appli-
11 cations that—

12 “(I) involve a consortia of experts
13 from multiple institutions;

14 “(II) encourage the integration
15 of disciplines and application of the
16 best technical resources; and

17 “(III) increase the geographic di-
18 versity of demonstration projects; and

19 “(iv) require that not less than 15
20 percent of funds made available to carry
21 out this section is used for research and
22 development relating to each of the tech-
23 nical areas described in paragraph (4).

24 “(B) MATCHING FUNDS.—

1 “(i) IN GENERAL.—The non-Federal
2 share of the cost of a demonstration
3 project under this section shall be not less
4 than 20 percent.

5 “(ii) COMMERCIAL APPLICATIONS.—
6 The non-Federal share of the cost of a
7 commercial application project under this
8 section shall be not less than 50 percent.

9 “(C) TECHNOLOGY AND INFORMATION
10 TRANSFER TO AGRICULTURAL USERS.—The Ad-
11 ministrators of the National Institute of Food
12 and Agriculture and the Chief of the Natural
13 Resources Conservation Service shall ensure
14 that applicable research results and tech-
15 nologies from the Initiative are—

16 “(i) adapted, made available, and dis-
17 seminated through those services, as ap-
18 propriate; and

19 “(ii) included in the best practices
20 database established under section 220 of
21 the Department of Agriculture Reorganiza-
22 tion Act of 1994 (7 U.S.C. 6920).

23 “(f) ADMINISTRATIVE SUPPORT AND FUNDS.—

24 “(1) IN GENERAL.—To the extent administra-
25 tive support and funds are not provided by other

1 agencies under paragraph (2), the Secretary of En-
2 ergy and the Secretary of Agriculture may provide
3 such administrative support and funds of the De-
4 partment of Energy and the Department of Agri-
5 culture to the Board and the Advisory Committee as
6 are necessary to enable the Board and the Advisory
7 Committee to carry out their duties under this sec-
8 tion.

9 “(2) OTHER AGENCIES.—The heads of the
10 agencies referred to in subsection (c)(2)(C), and the
11 other members of the Board appointed under sub-
12 section (c)(2)(D), may, and are encouraged to, pro-
13 vide administrative support and funds of their re-
14 spective agencies to the Board and the Advisory
15 Committee.

16 “(3) LIMITATION.—Not more than 4 percent of
17 the amount made available for each fiscal year under
18 subsection (h) may be used to pay the administrative
19 costs of carrying out this section.

20 “(g) REPORTS.—

21 “(1) ANNUAL REPORTS.—For each fiscal year
22 for which funds are made available to carry out this
23 section, the Secretary of Energy and the Secretary
24 of Agriculture shall jointly submit to Congress a de-
25 tailed report on—

1 “(A) the status and progress of the Initia-
2 tive, including a report from the Advisory Com-
3 mittee on whether funds appropriated for the
4 Initiative have been distributed and used in a
5 manner that—

6 “(i) is consistent with the objectives,
7 purposes, and additional considerations de-
8 scribed in paragraphs (2) through (5) of
9 subsection (e);

10 “(ii) uses the set of criteria estab-
11 lished in the initial report submitted under
12 title III of the Agricultural Risk Protection
13 Act of 2000 (7 U.S.C. 7624 note; Public
14 Law 106–224) (as in effect on the date be-
15 fore the date of enactment of the Food and
16 Energy Security Act of 2007); and

17 “(iii) takes into account any rec-
18 ommendations that have been made by the
19 Advisory Committee;

20 “(B) the general status of cooperation and
21 research and development efforts carried out at
22 each agency with respect to biofuels and
23 biobased products, including a report from the
24 Advisory Committee on whether the points of

1 contact are funding proposals that are selected
2 under subsection (d)(3)(B)(iii); and

3 “(C) the plans of the Secretary of Energy
4 and the Secretary of Agriculture for addressing
5 concerns raised in the report, including con-
6 cerns raised by the Advisory Committee.

7 “(2) UPDATES.—The Secretary of Agriculture
8 and the Secretary of Energy shall update the Vision
9 and Roadmap documents prepared for Federal bio-
10 mass research and development activities.

11 “(h) FUNDING.—

12 “(1) COMMODITY CREDIT CORPORATION
13 FUNDS.—Of the funds of the Commodity Credit
14 Corporation, the Secretary of Agriculture, to the
15 maximum extent practicable, shall use to carry out
16 this section, to remain available until expended—

17 “(A) \$15,000,000 for fiscal year 2008;

18 “(B) \$25,000,000 for fiscal year 2009; and

19 “(C) \$35,000,000 for fiscal year 2010.

20 “(2) ADDITIONAL FUNDING.—In addition to
21 amounts described in paragraph (1), there is author-
22 ized to be appropriated to carry out this section
23 \$85,000,000 for each of fiscal years 2008 through
24 2012.

1 **“SEC. 9009. SUN GRANT PROGRAM.**

2 “(a) PURPOSES.—The purposes of the programs es-
3 tablished under this section are—

4 “(1) to enhance national energy security
5 through the development, distribution, and imple-
6 mentation of biobased energy technologies;

7 “(2) to promote diversification in, and the envi-
8 ronmental sustainability of, agricultural production
9 in the United States through biobased energy and
10 product technologies;

11 “(3) to promote economic diversification in
12 rural areas of the United States through biobased
13 energy and product technologies; and

14 “(4) to enhance the efficiency of bioenergy and
15 biomass research and development programs
16 through improved coordination and collaboration be-
17 tween the Department of Agriculture, the Depart-
18 ment of Energy, and the land-grant colleges and
19 universities.

20 “(b) DEFINITION OF LAND-GRANT COLLEGES AND
21 UNIVERSITIES.—The term ‘land-grant colleges and uni-
22 versities’ means—

23 “(1) 1862 Institutions (as defined in section 2
24 of the Agricultural Research, Extension, and Edu-
25 cation Reform Act of 1998 (7 U.S.C. 7601));

1 “(2) 1890 Institutions (as defined in section 2
2 of that Act) and West Virginia State College; and

3 “(3) 1994 Institutions (as defined in section 2
4 of that Act).

5 “(c) ESTABLISHMENT.—To carry out the purposes
6 described in subsection (a), the Secretary shall provide
7 grants to sun grant centers specified in subsection (d).

8 “(d) GRANTS TO CENTERS.—The Secretary shall use
9 amounts made available for a fiscal year under subsection
10 (j) to provide a grants in equal amounts to each of the
11 following sun grant centers:

12 “(1) NORTH-CENTRAL CENTER.—A north-cen-
13 tral sun grant center at South Dakota State Univer-
14 sity for the region composed of the States of Illinois,
15 Indiana, Iowa, Minnesota, Montana, Nebraska,
16 North Dakota, South Dakota, Wisconsin, and Wyo-
17 ming.

18 “(2) SOUTHEASTERN CENTER.—A southeastern
19 sun grant center at the University of Tennessee at
20 Knoxville for the region composed of—

21 “(A) the States of Alabama, Florida, Geor-
22 gia, Kentucky, Mississippi, North Carolina,
23 South Carolina, Tennessee, and Virginia;

24 “(B) the Commonwealth of Puerto Rico;
25 and

1 “(C) the United States Virgin Islands.

2 “(3) SOUTH-CENTRAL CENTER.—A south-cen-
3 tral sun grant center at Oklahoma State University
4 for the region composed of the States of Arkansas,
5 Colorado, Kansas, Louisiana, Missouri, New Mexico,
6 Oklahoma, and Texas.

7 “(4) WESTERN CENTER.—A western sun grant
8 center at Oregon State University for the region
9 composed of—

10 “(A) the States of Alaska, Arizona, Cali-
11 fornia, Hawaii, Idaho, Nevada, Oregon, Utah,
12 and Washington; and

13 “(B) territories and possessions of the
14 United States (other than the territories re-
15 ferred to in subparagraphs (B) and (C) of para-
16 graph (2)).

17 “(5) NORTHEASTERN CENTER.—A northeastern
18 sun grant center at Cornell University for the region
19 composed of the States of Connecticut, Delaware,
20 Massachusetts, Maryland, Maine, Michigan, New
21 Hampshire, New Jersey, New York, Ohio, Pennsyl-
22 vania, Rhode Island, Vermont, and West Virginia.

23 “(6) WESTERN INSULAR PACIFIC SUB-
24 CENTER.—A western insular Pacific subcenter at the
25 University of Hawaii for the region composed of the

1 State of Alaska, Guam, American Samoa, the Com-
2 monwealth of the Northern Mariana Islands, the
3 Federated States of Micronesia, the Republic of the
4 Marshall Islands, and the Republic of Palau.

5 “(e) USE OF FUNDS.—

6 “(1) CENTERS OF EXCELLENCE.—Of the
7 amount of funds that are made available for a fiscal
8 year to a sun grant center under subsection (d), the
9 center shall use not more than 25 percent of the
10 amount to support excellence in science, engineering,
11 and economics at the center to promote the purposes
12 described in subsection (a) through the State agri-
13 cultural experiment station, cooperative extension
14 services, and relevant educational programs of the
15 university.

16 “(2) GRANTS TO LAND-GRANT COLLEGES AND
17 UNIVERSITIES.—

18 “(A) IN GENERAL.—The sun grant center
19 established for a region shall use the funds that
20 remain available for a fiscal year after expendi-
21 tures made under paragraph (1) to provide
22 competitive grants to land-grant colleges and
23 universities in the region of the sun grant cen-
24 ter to conduct, consistent with the purposes de-

1 scribed in subsection (a), multi-institutional and
2 multistate—

3 “(i) research, extension, and edu-
4 cational programs on technology develop-
5 ment; and

6 “(ii) integrated research, extension,
7 and educational programs on technology
8 implementation.

9 “(B) PROGRAMS.—Of the amount of funds
10 that are used to provide grants for a fiscal year
11 under subparagraph (A), the center shall use—

12 “(i) not less than 30 percent of the
13 funds to carry out programs described in
14 subparagraph (A)(i); and

15 “(ii) not less than 30 percent of the
16 funds to carry out programs described in
17 subparagraph (A)(ii).

18 “(3) INDIRECT COSTS.—A sun grant center
19 may not recover the indirect costs of making grants
20 under paragraph (2) to other land-grant colleges and
21 universities.

22 “(f) PLAN.—

23 “(1) IN GENERAL.—Subject to the availability
24 of funds under subsection (j), in cooperation with
25 other land-grant colleges and universities and pri-

1 vate industry in accordance with paragraph (2), the
2 sun grant centers shall jointly develop and submit to
3 the Secretary, for approval, a plan for addressing at
4 the State and regional levels the bioenergy, biomass,
5 and gasification research priorities of the Depart-
6 ment of Agriculture and the Department of Energy
7 for the making of grants under paragraphs (1) and
8 (2) of subsection (e).

9 “(2) GASIFICATION COORDINATION.—

10 “(A) IN GENERAL.—In developing the plan
11 under paragraph (1) with respect to gasification
12 research, the sun grant centers identified in
13 paragraphs (1) and (2) of subsection (d) shall
14 coordinate with land grant colleges and univer-
15 sities in their respective regions that have ongo-
16 ing research activities with respect to the re-
17 search.

18 “(B) FUNDING.—Funds made available
19 under subsection (d) to the sun grant center
20 identified in subsection (e)(2) shall be available
21 to carry out planning coordination under para-
22 graph (1) of this subsection.

23 “(g) GRANTS TO OTHER LAND-GRANT COLLEGES
24 AND UNIVERSITIES.—

1 “(1) PRIORITY FOR GRANTS.—In making
2 grants under subsection (e)(2), a sun grant center
3 shall give a higher priority to programs that are con-
4 sistent with the plan approved by the Secretary
5 under subsection (f).

6 “(2) TERM OF GRANTS.—The term of a grant
7 provided by a sun grant center under subsection
8 (e)(2) shall not exceed 5 years.

9 “(h) GRANT INFORMATION ANALYSIS CENTER.—The
10 sun grant centers shall maintain a Sun Grant Information
11 Analysis Center at the sun grant center specified in sub-
12 section (d)(1) to provide sun grant centers analysis and
13 data management support.

14 “(i) ANNUAL REPORTS.—Not later than 90 days
15 after the end of a year for which a sun grant center re-
16 ceives a grant under subsection (d), the sun grant center
17 shall submit to the Secretary a report that describes the
18 policies, priorities, and operations of the program carried
19 out by the center during the year, including a description
20 of progress made in facilitating the priorities described in
21 subsection (f).

22 “(j) FUNDING.—

23 “(1) COMMODITY CREDIT CORPORATION.—Of
24 the funds of the Commodity Credit Corporation, the

1 Secretary shall use to carry out this section, to re-
2 main available until expended—

3 “(A) \$5,000,000 for fiscal year 2008;

4 “(B) \$10,000,000 for fiscal year 2009; and

5 “(C) \$10,000,000 for fiscal year 2010.

6 “(2) AUTHORIZATION OF APPROPRIATIONS.—

7 “(A) IN GENERAL.—In addition to any
8 other funds made available to carry out this
9 section, there is authorized to be appropriated
10 to carry out this section \$70,000,000 for each
11 of fiscal years 2008 through 2012.

12 “(B) GRANT INFORMATION ANALYSIS CEN-
13 TER.—Of amounts made available under sub-
14 paragraph (A), not more than \$4,000,000 for
15 each fiscal year shall be made available to carry
16 out subsection (h).

17 **“SEC. 9010. REGIONAL BIOMASS CROP EXPERIMENTS.**

18 “(a) PURPOSE.—The purpose of this section is to ini-
19 tiate multi-region side-by-side crop experiments to provide
20 a sound knowledge base on all aspects of the production
21 of biomass energy crops, including crop species, nutrient
22 requirements, management practices, environmental im-
23 pacts, greenhouse gas implications, and economics.

24 “(b) CROP EXPERIMENTS.—

1 “(1) IN GENERAL.—The Secretary, in consulta-
2 tion with the Board, based on the recommendations
3 of the Advisory Committee, shall award 10 competi-
4 tive grants to land-grant colleges and universities (as
5 defined in section 1404 of the National Agricultural
6 Research, Extension, and Teaching Policy Act of
7 1977 (7 U.S.C. 3103)) to establish regional biomass
8 crop research experiments (including experiments in-
9 volving annuals, perennials, and woody biomass spe-
10 cies).

11 “(2) SELECTION OF GRANT RECIPIENTS.—
12 Grant recipients shall be selected on the basis of ap-
13 plications submitted in accordance with guidelines
14 issued by the Secretary.

15 “(3) SELECTION CRITERIA.—In selecting grant
16 recipients, the Secretary shall consider—

17 “(A) the capabilities and experience of the
18 applicant in conducting side-by-side crop experi-
19 ments;

20 “(B) the range of species types and crop-
21 ping practices proposed for study;

22 “(C) the quality of the proposed crop ex-
23 periment plan;

24 “(D) the commitment of the applicant of
25 adequate acreage and necessary resources for,

1 and continued participation in, the crop experi-
2 ments;

3 “(E) the need for regional diversity among
4 the 10 institutions selected; and

5 “(F) such other factors as the Secretary
6 may determine.

7 “(c) GRANTS.—The Secretary shall make a grant to
8 each land-grant college or university selected under sub-
9 section (b) in the amount of—

10 “(1) \$1,000,000 for fiscal year 2008;

11 “(2) \$2,000,000 for fiscal year 2009; and

12 “(3) \$1,000,000 for fiscal year 2010.

13 “(d) COORDINATION.—The Secretary shall coordi-
14 nate with participants under this section—

15 “(1) to provide coordination regarding biomass
16 crop research approaches; and

17 “(2) to ensure coordination between biomass
18 crop research activities carried out by land-grant col-
19 leges and universities under this section and by sun
20 grant centers under section 9009.

21 “(e) FUNDING.—

22 “(1) COMMODITY CREDIT CORPORATION.—Of
23 the funds of the Commodity Credit Corporation, the
24 Secretary shall use to carry out this section, to re-
25 main available until expended—

1 “(A) \$10,000,000 for fiscal year 2008;

2 “(B) \$20,000,000 for fiscal year 2009; and

3 “(C) \$10,000,000 for fiscal year 2010.

4 “(2) AUTHORIZATION OF APPROPRIATIONS.—In
5 addition to any other funds made available to carry
6 out this section, there are authorized to be appro-
7 priated such sums are necessary to carry out this
8 section for each of fiscal years 2008 through 2012.

9 **“SEC. 9011. BIOCHAR RESEARCH, DEVELOPMENT, AND**
10 **DEMONSTRATION.**

11 “(a) PURPOSE.—The purpose of this section is to
12 support research, development, and demonstration of
13 biochar as a coproduct of bioenergy production, as a soil
14 enhancement practice, and as a carbon management strat-
15 egy.

16 “(b) DEFINITION OF BIOCHAR.—In this section, the
17 term ‘biochar’ means charcoal or biomass-derived black
18 carbon that is added to soil to improve soil fertility, nutri-
19 ent retention, and carbon content.

20 “(c) GRANTS.—The Secretary shall award competi-
21 tive grants to eligible entities to support biochar research,
22 development, and demonstration projects on multiple
23 scales, including laboratory biochar research and field
24 trials, and biochar systems on a single farm scale, local
25 community scale, and agricultural cooperative scale.

1 “(d) ELIGIBLE ENTITIES.—To be eligible to receive
2 a grant under this section, an entity shall be an eligible
3 entity described in section 9005(d).

4 “(e) AREAS OF BIOCHAR RESEARCH, DEVELOP-
5 MENT, AND DEMONSTRATION.—In carrying out this sec-
6 tion, the Secretary shall solicit proposals for activities that
7 include—

8 “(1) the installation and use of biochar produc-
9 tion systems, including pyrolysis and
10 thermocombustion systems, and the integration of
11 biochar production with bioenergy and bioproducts
12 production;

13 “(2) the study of agronomic effects of biochar
14 usage in soils, including plant growth and yield ef-
15 fects for different application rates and soil types,
16 and implications for water and fertilizer needs;

17 “(3) biochar characterization, including analysis
18 of physical properties, chemical structure, product
19 consistency and quality, and the impacts of those
20 properties on the soil-conditioning effects of biochar
21 in different soil types;

22 “(4) the study of effects of the use of biochar
23 on the carbon content of soils, with an emphasis on
24 the potential for biochar applications to sequester
25 carbon;

1 “(5) the study of effects of biochar on green-
2 house gas emissions relating to crop production, in-
3 cluding nitrous oxide and carbon dioxide emissions
4 from cropland;

5 “(6) the study of the integration of renewable
6 energy and bioenergy production with biochar pro-
7 duction;

8 “(7) the study of the economics of biochar pro-
9 duction and use, including considerations of feed-
10 stock competition, synergies of coproduction with
11 bioenergy, the value of soil enhancements, and the
12 value of soil carbon sequestration; and

13 “(8) such other topics as are identified by the
14 Secretary.

15 “(f) FUNDING.—There is authorized to be appro-
16 priated to carry out this section \$3,000,000 for each of
17 fiscal years 2008 through 2012.

18 **“SEC. 9012. RENEWABLE WOODY BIOMASS FOR ENERGY.**

19 “(a) IN GENERAL.—The Secretary, acting through
20 the Chief of the Forest Service (referred to in this section
21 as the ‘Secretary’), shall conduct a competitive research,
22 technology development, and technology application pro-
23 gram to encourage the use of renewable woody biomass
24 for energy.

1 “(b) ELIGIBLE ENTITIES.—Entities eligible to com-
2 pete under the program shall include—

3 “(1) the Forest Service (through Research and
4 Development);

5 “(2) other Federal agencies;

6 “(3) State and local governments;

7 “(4) federally recognized Indian tribes;

8 “(5) colleges and universities; and

9 “(6) private entities.

10 “(c) PRIORITY FOR PROJECT SELECTION.—The Sec-
11 retary shall give priority under the program to projects
12 that—

13 “(1) develop technology and techniques to use
14 low-value woody biomass sources, such as byproducts
15 of forest health treatments and hazardous fuels re-
16 duction, for the production of energy;

17 “(2) develop processes that integrate production
18 of energy from woody biomass into biorefineries or
19 other existing manufacturing streams;

20 “(3) develop new transportation fuels from
21 woody biomass; and

22 “(4) improve the growth and yield of trees in-
23 tended for renewable energy production.

1 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
2 is authorized to be appropriated to carry out this section
3 \$5,000,000 for each of fiscal years 2008 through 2012.

4 **“SEC. 9013. COMMUNITY WOOD ENERGY PROGRAM.**

5 “(a) DEFINITIONS.—In this section:

6 “(1) COMMUNITY WOOD ENERGY PLAN.—The
7 term ‘community wood energy plan’ means a plan
8 that identifies how local forests can be accessed in
9 a sustainable manner to help meet the wood supply
10 needs of a community wood energy system.

11 “(2) COMMUNITY WOOD ENERGY SYSTEM.—

12 “(A) IN GENERAL.—The term ‘community
13 wood energy system’ means an energy system
14 that—

15 “(i) services schools, town halls, li-
16 braries, and other public buildings; and

17 “(ii) uses woody biomass as the pri-
18 mary fuel.

19 “(B) INCLUSIONS.—The term ‘community
20 wood energy system’ includes single facility cen-
21 tral heating, district heating, combined heat
22 and energy systems, and other related biomass
23 energy systems.

24 “(b) GRANT PROGRAM.—

1 “(1) IN GENERAL.—The Secretary, acting
2 through the Chief of the Forest Service, shall estab-
3 lish a program to be known as the ‘Community
4 Wood Energy Program’ to provide—

5 “(A) grants of up to \$50,000 to State and
6 local governments (or designees)—

7 “(i) to conduct feasibility studies re-
8 lated to community wood energy plans; and

9 “(ii) to develop community wood en-
10 ergy plans; and

11 “(B) competitive grants to State and local
12 governments—

13 “(i) to acquire or upgrade community
14 wood energy systems for public buildings;
15 and

16 “(ii) to implement a community wood
17 energy plan.

18 “(2) CONSIDERATIONS.—In selecting applicants
19 for grants under paragraph (1)(B), the Secretary
20 shall consider—

21 “(A) the energy efficiency of the proposed
22 system; and

23 “(B) other conservation and environmental
24 criteria that the Secretary considers appro-
25 priate.

1 “(c) COMMUNITY WOOD ENERGY PLAN.—

2 “(1) IN GENERAL.—A State or local govern-
3 ment that receives a grant under subsection
4 (b)(1)(A), shall use the grant, and the technical as-
5 sistance of the State forester, to create a community
6 wood energy plan to meet the wood supply needs of
7 the community wood energy system, in a sustainable
8 manner, that the State or local government proposes
9 to purchase under this section.

10 “(2) USE OF PLAN.—A State or local govern-
11 ment applying to receive a competitive grant de-
12 scribed in subsection (b)(1)(B) shall submit to the
13 Secretary as part of the grant application the appli-
14 cable community wood energy plan described in
15 paragraph (1).

16 “(3) REQUIREMENT.—To be included in a com-
17 munity wood energy plan, property shall be subject
18 to a forest management plan.

19 “(d) USE IN PUBLIC BUILDINGS.—A State or local
20 government that receives a grant under subsection
21 (b)(1)(B) shall use a community wood energy system ac-
22 quired, in whole or in part, with the use of the grant funds
23 for primary use in a public facility owned by the State
24 or local government.

1 “(e) LIMITATION.—A community wood energy system
2 acquired with grant funds provided under subsection
3 (b)(1)(B) shall not exceed an output of—

4 “(1) 50,000,000 Btu per hour for heating; and

5 “(2) 2 megawatts for electric power production.

6 “(f) MATCHING FUNDS.—A State or local govern-
7 ment that receives a grant under subsection (b) shall con-
8 tribute an amount of non-Federal funds towards the feasi-
9 bility study, development of the community wood energy
10 plan, or acquisition of the community wood energy sys-
11 tems that is at least equal to the amount of grant funds
12 received by the State or local government under that sub-
13 section.

14 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
15 is authorized to be appropriated to carry out this section
16 \$5,000,000 for each of fiscal years 2008 through 2012.

17 **“SEC. 9014. RURAL ENERGY SYSTEMS RENEWAL.**

18 “(a) PURPOSE.—The purpose of this section is to es-
19 tablish a Federal program—

20 “(1) to encourage communities in rural areas of
21 the United States to establish energy systems re-
22 newal strategies for their communities;

23 “(2) to provide the information, analysis assist-
24 ance, and guidance that the communities need; and

1 “(3) to provide financial resources to partially
2 fund the costs of carrying out community energy
3 systems renewal projects.

4 “(b) PROGRAM AUTHORITY.—The Secretary shall es-
5 tablish and carry out a program of competitive grants to
6 support communities in rural areas in carrying out rural
7 energy systems renewal projects.

8 “(c) USE OF GRANTS.—A community may use a
9 grant provided under this section to carry out a project—

10 “(1) to conduct an energy assessment that as-
11 sesses total energy usage by all members and activi-
12 ties of the community, including an assessment of—

13 “(A) energy used in community facilities,
14 including energy for heating, cooling, lighting,
15 and all other building and facility uses;

16 “(B) energy used in transportation by
17 community members;

18 “(C) current sources and types of energy
19 used;

20 “(D) energy embedded in other materials
21 and products;

22 “(E) the major impacts of the energy
23 usage (including the impact on the quantity of
24 oil imported, total costs, the environment, and
25 greenhouse gas emissions); and

1 “(F) such other activities as are deter-
2 mined appropriate by the community, consistent
3 with the purposes described in subsection (a);

4 “(2) to formulate and analyze ideas for reduc-
5 ing conventional energy usage and greenhouse gas
6 emissions by the community, including reduction of
7 energy usage through—

8 “(A) housing insulation, automatic controls
9 on lighting and electronics, zone energy usage,
10 and home energy conservation practices;

11 “(B) transportation alternatives, vehicle
12 options, transit options, transportation con-
13 servation, and walk- and bike-to-school pro-
14 grams;

15 “(C) community configuration alternatives
16 to provide pedestrian access to regular services;
17 and

18 “(D) community options for alternative en-
19 ergy systems (including alternative fuels, photo-
20 voltaic electricity, wind energy, geothermal heat
21 pump systems, and combined heat and power);

22 “(3) to formulate and implement community
23 strategies for reducing conventional energy usage
24 and greenhouse gas emissions by the community;

1 “(4) to conduct assessments and to track and
2 record the results of energy system changes; and

3 “(5) to train rural community energy profes-
4 sionals to provide expert support to community en-
5 ergy systems renewal projects.

6 “(d) FEDERAL SHARE.—The Federal cost of car-
7 rying out a project under this section shall be 50 percent
8 of the total cost of the project.

9 “(e) ADMINISTRATION.—The Secretary shall—

10 “(1) issue, on an annual basis, requests for pro-
11 posals from communities in rural areas for energy
12 systems renewal projects; and

13 “(2) establish criteria for program participation
14 and evaluation of projects carried out under this sec-
15 tion, including criteria based on—

16 “(A) the quality of the renewal projects
17 proposed;

18 “(B) the probability of success of the com-
19 munity in meeting the energy systems renewal
20 goals of the community;

21 “(C) the projected energy savings (includ-
22 ing oil savings) resulting from the proposed
23 projects; and

24 “(D) projected greenhouse gas emission re-
25 ductions resulting from the proposed projects.

1 “(f) TECHNICAL ASSISTANCE.—The Secretary, in
2 consultation with the Secretary of Energy, shall—

3 “(1) develop, and provide through the National
4 Institute of Food and Agriculture or State Energy
5 Offices, information and tools that communities in
6 rural areas can use—

7 “(A) to assess the current energy systems
8 of the communities, including sources, uses, and
9 impacts;

10 “(B) to identify and evaluate options for
11 changes;

12 “(C) to develop strategies and plans for
13 changes; and

14 “(D) to implement changes and assess the
15 impact of the changes; and

16 “(2) provide technical assistance and support to
17 communities in rural areas that receive grants under
18 this section to assist the communities in carrying out
19 projects under this section.

20 “(g) REPORT.—Not later than December 31, 2011,
21 and biennially thereafter, the Secretary shall submit to the
22 Committee on Agriculture of the House of Representatives
23 and the Committee on Agriculture, Nutrition, and For-
24 estry of the Senate a report that documents the best prac-

1 tices and approaches used by communities in rural areas
2 that receive funds under this section.

3 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated to the Secretary to make
5 grants under this section \$5,000,000 for each of fiscal
6 years 2008 through 2012.

7 **“SEC. 9015. VOLUNTARY RENEWABLE BIOMASS CERTIFI-**
8 **CATION PROGRAM.**

9 “(a) ESTABLISHMENT.—The Secretary, in consulta-
10 tion with Administrator, shall establish a voluntary pro-
11 gram to certify renewable biomass that meets sustainable
12 growing standards designed—

13 “(1) to reduce greenhouse gases and improve
14 soil carbon content;

15 “(2) to protect wildlife habitat, and

16 “(3) to protect air, soil, and water quality.

17 “(b) VOLUNTARY CERTIFICATION REQUIREMENTS.—
18 To qualify for certification under the program established
19 under subsection (a), a biomass crop shall be inspected
20 and certified as meeting the standards adopted under sub-
21 section (c) by an inspector designated under subsection
22 (d).

23 “(c) PRODUCTION STANDARDS.—

24 “(1) IN GENERAL.—The Secretary shall adopt
25 standards for the certification of renewable biomass

1 under subsection (b) that will apply to those pro-
2 ducers who elect to participate in the voluntary cer-
3 tification program.

4 “(2) REQUIREMENT.—The standards under
5 paragraph (1) shall provide measurement of a nu-
6 merical reduction in greenhouse gases, improvement
7 to soil carbon content, and reduction in soil and
8 water pollutants, based on the recommendations of
9 an advisory committee jointly established by the Sec-
10 retary and the Administrator.

11 “(d) INSPECTORS.—The Secretary shall designate in-
12 spectors that the Secretary determines are qualified to
13 carry out inspections and certifications under subsection
14 (b) in order to certify renewable biomass under this sec-
15 tion.

16 “(e) DESIGNATION.—A product produced from re-
17 newable biomass that is certified under this section may
18 be designated as having been produced from certified re-
19 newable biomass if—

20 “(1) the producer of the product verifies that
21 the product was produced from renewable biomass;
22 and

23 “(2) the verification includes a copy of the cer-
24 tification obtained in accordance with subsection (b).

1 **“SEC. 9016. ADMINISTRATION.**

2 “The Secretary shall designate an entity within the
3 Department of Agriculture to—

4 “(1) provide oversight and coordination of all
5 activities relating to renewable energy and biobased
6 product development within the Department;

7 “(2) act as a liaison between the Department
8 and other Federal, State, and local agencies to en-
9 sure coordination among activities relating to renew-
10 able energy and biobased product development;

11 “(3) assist agriculture researchers by evaluating
12 the market potential of new biobased products in the
13 initial phase of development;

14 “(4) collect and disseminate information relat-
15 ing to renewable energy and biobased product devel-
16 opment programs, including research, within the
17 Federal Government; and

18 “(5) establish and maintain a public database
19 of best practices to facilitate information sharing re-
20 lating to—

21 “(A) renewable energy and biobased prod-
22 uct development from programs under this title
23 and other programs; and

24 “(B) best practices for producing, col-
25 lecting, harvesting, storing, and transporting
26 crops of renewable biomass, as described under

1 section 9004(d)(3)(B) of the Farm Security
2 and Rural Investment Act of 2002.

3 **“SEC. 9017. BIOFUELS INFRASTRUCTURE STUDY.**

4 “(a) IN GENERAL.—The Secretary, in collaboration
5 with the Secretary of Energy, the Administrator, and the
6 Secretary of Transportation, shall—

7 “(1) conduct an assessment of the infrastruc-
8 ture needs for expanding the domestic production,
9 transport, and marketing of biofuels and bioenergy;

10 “(2) formulate recommendations for infrastruc-
11 ture development needs and approaches; and

12 “(3) submit to the appropriate committees of
13 Congress a report describing the assessment and
14 recommendations.

15 “(b) INFRASTRUCTURE AREAS.—In carrying out sub-
16 section (a), the Secretary shall consider—

17 “(1) biofuel transport and delivery infrastruc-
18 ture issues, including shipment by rail or pipeline or
19 barge;

20 “(2) biofuel storage needs;

21 “(3) biomass feedstock delivery needs, including
22 adequacy of rural roads;

23 “(4) biomass feedstock storage needs;

24 “(5) water resource needs, including water re-
25 quirements for biorefineries; and

1 “(6) such other infrastructure issues as the
2 Secretary may determine.

3 “(c) CONSIDERATIONS.—In carrying out subsection
4 (a), the Secretary shall consider—

5 “(1) estimated future biofuels production levels
6 of—

7 “(A) 20,000,000,000 gallons per year to
8 40,000,000,000 gallons per year by 2020; and

9 “(B) 50,000,000,000 gallons per year to
10 75,000,000,000 gallons per year by 2030;

11 “(2) the feasibility of shipping biofuels through
12 existing pipelines;

13 “(3) the development of new biofuels pipelines,
14 including siting, financing, timing, and other eco-
15 nomic issues;

16 “(4) the environmental implications of alter-
17 native approaches to infrastructure development;
18 and

19 “(5) the resource use and conservation charac-
20 teristics of alternative approaches to infrastructure
21 development.

22 “(d) IMPLEMENTATION.—In carrying out this sec-
23 tion, the Secretary—

1 “(1) shall consult with individuals and entities
2 with interest or expertise in the areas described in
3 subsections (b) and (c); and

4 “(2) may issue a solicitation for a competition
5 to select a contractor to support the Secretary.

6 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
7 is authorized to be appropriated to carry out this section
8 \$1,000,000 for each of fiscal years 2008 and 2009.

9 **“SEC. 9018. RURAL NITROGEN FERTILIZER STUDY.**

10 “(a) PURPOSES.—The purposes of this section are—

11 “(1) to assess the feasibility of producing nitro-
12 gen fertilizer from renewable energy resources in
13 rural areas; and

14 “(2) to formulate recommendations for a pro-
15 gram to promote rural nitrogen fertilizer production
16 from renewable energy resources in the future.

17 “(b) STUDY.—The Secretary shall—

18 “(1) conduct a study to assess and summarize
19 the current state of knowledge regarding the poten-
20 tial for the production of nitrogen fertilizer from re-
21 newable energy sources in rural areas;

22 “(2) identify the critical challenges to commer-
23 cialization of rural production of nitrogen fertilizer
24 from renewables; and

1 “(3) not later than 270 days after the date of
2 enactment of this section, submit to the Committee
3 on Agriculture of the House of Representatives and
4 the Committee on Agriculture, Nutrition, and For-
5 estry of the Senate a report that summarizes the re-
6 sults of the activities described in paragraphs (1)
7 and (2).

8 “(c) NEEDS.—

9 “(1) IN GENERAL.—Based on the results of the
10 study described in subsection (b), the Secretary shall
11 identify the critical needs to commercializing the
12 rural production of nitrogen fertilizer from renew-
13 ables, including—

14 “(A) identifying alternative processes for
15 renewables-to-nitrogen fertilizer production;

16 “(B) identifying efficiency improvements
17 that are necessary for each component of re-
18 newables-to-nitrogen fertilizer production proc-
19 esses to produce cost-competitive nitrogen fer-
20 tilizer;

21 “(C) identifying research and technology
22 priorities for the most promising technologies;

23 “(D) identifying economic analyses needed
24 to better understand the commercial potential
25 of rural nitrogen production from renewables;

1 “(E) identifying additional challenges im-
2 peding commercialization, including—

3 “(i) cost competition from nitrogen
4 fertilizer produced using natural gas and
5 coal;

6 “(ii) modifications or expansion need-
7 ed to the currently-installed nitrogen fer-
8 tilizer (anhydrous ammonia) pipeline and
9 storage tank system to enable interconnec-
10 tion of on-farm or rural renewables-to-ni-
11 trogen fertilizer systems;

12 “(iii) impact on nitrogen fertilizer (an-
13 hydrous ammonia) transportation infra-
14 structure and safety regulations;

15 “(iv) supply of competitively-priced re-
16 newable electricity; and

17 “(v) impacts on domestic water sup-
18 plies; and

19 “(F) determining greenhouse gas reduction
20 benefits of producing nitrogen fertilizer from re-
21 newable energy.

22 “(d) PROGRAM RECOMMENDATIONS.—As part of the
23 report described in subsection (b)(3) and based on the
24 needs identified in subsection (c), the Secretary shall pro-
25 vide recommendations on—

1 “(1) the establishment of a research, develop-
2 ment, and demonstration program to support com-
3 mercialization of rural nitrogen production using re-
4 newables;

5 “(2) the appropriate contents of the program;

6 “(3) the appropriate approach to implementing
7 the program, including participants and funding
8 plans; and

9 “(4) legislation to support commercialization of
10 rural nitrogen production using renewables.

11 “(e) AUTHORIZATION OF APPROPRIATIONS.—There
12 is authorized to be appropriated to carry out this section
13 \$1,000,000 for fiscal year 2008.

14 **“SEC. 9019. STUDY OF LIFE-CYCLE ANALYSIS OF BIOFUELS.**

15 “(a) IN GENERAL.—The Secretary, in consultation
16 with the Secretary of Energy and the Administrator, shall
17 conduct a study of—

18 “(1) published methods for evaluating the
19 lifecycle greenhouse gas emissions of conventional
20 fuels and biofuels; and

21 “(2) methods for performing simplified, stream-
22 lined lifecycle analyses of the greenhouse gas emis-
23 sions of conventional fuels and biofuels.

24 “(b) REPORT.—Not later than 1 year after the date
25 of enactment of this section, the Secretary shall submit

1 to the Committee on Agriculture of the House of Rep-
2 resentatives and the Committee on Agriculture, Nutrition,
3 and Forestry of the Senate a report that describes the re-
4 sults of the study conducted under subsection (a), includ-
5 ing recommendations for a method for performing a sim-
6 plified, streamlined lifecycle analysis of the greenhouse gas
7 emissions of biofuels and fossil fuels that includes—

8 “(1) greenhouse gas emissions relating to the
9 production, extraction, transportation, storage, and
10 waste disposal of the fuels and the feedstocks of the
11 fuels, including the greenhouse gases associated with
12 electrical and thermal energy inputs;

13 “(2) greenhouse gas emissions relating to the
14 distribution, marketing, and use of the fuels; and

15 “(3) to the maximum extent practicable, direct
16 and indirect greenhouse gas emissions from changes
17 in land use and land cover that occur domestically
18 or internationally as a result of biofuel feedstock
19 production.

20 “(c) UPDATE.—Not later than 2 years after the date
21 on which the Secretary submits the report under sub-
22 section (b), the Secretary shall submit to the Committee
23 on Agriculture of the House of Representatives and the
24 Committee on Agriculture, Nutrition, and Forestry of the
25 Senate an update containing recommendations for an im-

1 proved method for conducting lifecycle analysis of the
2 greenhouse gas emissions of biofuels and fossil fuels that
3 takes into account advances in the understanding of the
4 emissions.

5 **“SEC. 9020. E-85 FUEL PROGRAM.**

6 “(a) DEFINITIONS.—In this section:

7 “(1) E-85 FUEL.—The term ‘E-85 fuel’ means
8 a blend of gasoline at least 85 percent (or any other
9 percentage, but not less than 70 percent, as deter-
10 mined by the Secretary, by rule, to provide for re-
11 quirements relating to cold start, safety, or vehicle
12 functions) of the content of which is derived from
13 ethanol.

14 “(2) ELIGIBLE FACILITY.—The term ‘eligible
15 facility’ means an ethanol production facility, the
16 majority ownership of which is comprised of agricul-
17 tural producers.

18 “(b) PROGRAM.—The Secretary shall make grants
19 under this section to eligible facilities—

20 “(1) to install E-85 fuel infrastructure, includ-
21 ing infrastructure necessary—

22 “(A) for the direct retail sale of E-85 fuel,
23 including E-85 fuel pumps and storage tanks;
24 and

1 “(B) to directly market E-85 fuel to gas
2 retailers, including in-line blending equipment,
3 pumps, storage tanks, and load-out equipment;
4 and

5 “(2) to provide subgrants to direct retailers of
6 E-85 fuel that are located in a rural area (as defined
7 in section 343(a) of the Consolidated Farm and
8 Rural Development Act (7 U.S.C. 1991(a))) for the
9 purpose of installing E-85 fuel infrastructure for the
10 direct retail sale of E-85 fuel, including E-85 fuel
11 pumps and storage tanks.

12 “(c) COST SHARING.—

13 “(1) GRANTS.—The amount of a grant under
14 this section shall be equal to 20 percent of the total
15 costs of the installation of the E-85 fuel infrastruc-
16 ture, as determined by the Secretary.

17 “(2) RELATIONSHIP TO OTHER FEDERAL
18 FUNDING.—The amount of a grant that an eligible
19 facility receives under this section shall be reduced
20 by the amount of other Federal funding that the eli-
21 gible facility receives for the same purpose, as deter-
22 mined by the Secretary.

23 “(3) LIMITATION.—Not more than 70 percent
24 of the total costs of E-85 fuel infrastructure pro-
25 vided assistance under this section shall be provided

1 by the Federal Government and State and local gov-
2 ernments.

3 “(d) AUTHORIZATION OF APPROPRIATIONS.—Subject
4 to the availability of appropriations, there is authorized
5 to be appropriated to carry out this section \$20,000,000
6 for the period of fiscal years 2008 through 2012, to re-
7 main available until expended.

8 **“SEC. 9021. RESEARCH AND DEVELOPMENT OF RENEWABLE**
9 **ENERGY.**

10 “(a) IN GENERAL.—The Secretary, in conjunction
11 with the Colorado Renewable Energy Collaboratory, shall
12 carry out a research and development program relating
13 to renewable energy—

14 “(1) to conduct research on and develop high-
15 quality energy crops that—

16 “(A) have high energy production values;

17 “(B) are cost efficient for producers and
18 refiners;

19 “(C) are well suited to high yields with
20 minimal inputs in arid and semiarid regions;
21 and

22 “(D) are regionally appropriate;

23 “(2) to conduct research on and develop bio-
24 refining and biofuels through multidisciplinary re-
25 search, including research relating to—

1 “(A) biochemical engineering;

2 “(B) process engineering;

3 “(C) thermochemical engineering;

4 “(D) product engineering; and

5 “(E) systems engineering;

6 “(3) to develop cost-effective methods for the
7 harvesting, handling, transport, and storage of cel-
8 lulosic biomass feedstocks;

9 “(4) to conduct research on and develop fer-
10 tilizers from biobased sources other than hydro-
11 carbon fuels;

12 “(5) to develop energy- and water-efficient irri-
13 gation systems;

14 “(6) to research and develop water-efficient
15 biofuel production technologies;

16 “(7) to research and develop additional
17 biobased products;

18 “(8) in cooperation with the Department of En-
19 ergy and the Department of Defense, to develop
20 storage and conversion technologies for wind- and
21 solar-generated power for small-scale and utility-
22 scale generation facilities; and

23 “(9) in cooperation with the Department of En-
24 ergy, to research fuel cell technologies for use in
25 farm, ranch, and rural applications.

1 “(b) AUTHORIZATION OF APPROPRIATIONS.—

2 “(1) IN GENERAL.—There is authorized to be
3 appropriated to carry out this section \$5,000,000 for
4 each of fiscal years 2008 through 2012, to remain
5 available until expended.

6 “(2) ADDITIONAL FUNDS.—In addition to funds
7 made available under paragraph (1), there are au-
8 thorized to be appropriated—

9 “(A) \$110,000,000 to the Under Secretary
10 for Research, Education, and Economics, acting
11 through the Agricultural Research Service, for
12 cellulosic biofuel research for each of fiscal
13 years 2008 through 2012; and

14 “(B) \$110,000,000 to the Secretary and
15 the Secretary of Energy for the development of
16 smaller-scale biorefineries and biofuel plants for
17 each of fiscal years 2008 through 2012.

18 **“SEC. 9022. NORTHEAST DAIRY NUTRIENT MANAGEMENT**
19 **AND ENERGY DEVELOPMENT PROGRAM.**

20 “(a) DEFINITIONS.—In this section:

21 “(1) CONSORTIUM.—The term ‘consortium’
22 means a collaboration of land-grant colleges or uni-
23 versities in the Northeast region that have programs
24 devoted to dairy manure nutrient management and
25 energy conversion from dairy manure.

1 “(2) LAND-GRANT COLLEGES AND UNIVER-
2 SITIES.—The term ‘land-grant colleges and univer-
3 sities’ has the meaning given the term in section
4 1404 of the National Agricultural Research, Exten-
5 sion, and Teaching Policy Act of 1977 (7 U.S.C.
6 3103)).

7 “(3) NORTHEAST REGION.—The term ‘North-
8 east region’ means the States of Connecticut, Dela-
9 ware, Massachusetts, Maryland, Maine, New Hamp-
10 shire, New Jersey, New York, Pennsylvania, Rhode
11 Island, Vermont, and West Virginia.

12 “(4) PROGRAM.—The term ‘program’ means
13 the dairy nutrient management and energy develop-
14 ment program established under subsection (b).

15 “(b) ESTABLISHMENT.—The Secretary shall estab-
16 lish a dairy nutrient management and energy development
17 program under which the Secretary shall provide funds to
18 the consortium to carry out multistate, integrated re-
19 search, extension, and demonstration projects for nutrient
20 management and energy development in the Northeast Re-
21 gion.

22 “(c) STEERING COMMITTEE.—

23 “(1) IN GENERAL.—The consortium shall estab-
24 lish a steering committee to administer the program.

1 “(2) CHAIRPERSON.—For each calendar year,
2 or for such other period as the consortium deter-
3 mines to be appropriate, the consortium shall select
4 a chairperson of the steering committee in a manner
5 that ensures that each member of the consortium is
6 represented by a chairperson on a rotating basis.

7 “(3) BOARD.—

8 “(A) IN GENERAL.—The steering com-
9 mittee shall establish a board of directors to as-
10 sist in the administration of the program.

11 “(B) COMPOSITION.—The board shall con-
12 sist of representatives of—

13 “(i) dairy cooperatives and other pro-
14 ducer groups;

15 “(ii) State departments of agriculture;

16 “(iii) conservation organizations; and

17 “(iv) other appropriate Federal and
18 State agencies.

19 “(d) USE OF FUNDS.—

20 “(1) ADMINISTRATIVE COSTS.—The consortium
21 may use not more than 10 percent of the total
22 amount of funds provided to the consortium under
23 this section to pay the administrative costs of the
24 program.

25 “(2) GRANT PROGRAM.—

“(A) IN GENERAL.—The consortium shall use the amounts provided under this section to provide grants to applicants, including dairy cooperatives, producers and producer groups, State departments of agriculture and other appropriate State agencies, and institutions of higher education, to carry out integrated research, extension, and demonstration projects in the Northeast region to address manure nutrient management and energy development.

“(B) APPLICATIONS.—The steering committee established under subsection (c)(1), in coordination with the board established by the steering committee, shall annually publish 1 or more requests to receive applications for grants under this paragraph.

17 “(C) SELECTION.—

18 “(i) IN GENERAL.—The board of the
19 steering committee shall select applications
20 submitted under subparagraph (B) for
21 grants under this paragraph—

22 “(I) on a competitive basis;

23 “(II) in accordance with such
24 priority technical areas and distribu-

tion requirements as the steering committee may establish; and

“(III) in a manner that ensures, to the maximum extent practicable, that an equal quantity of resources is provided to each member of the consortium.

“(ii) REVIEW.—Before selecting any application under clause (i), the board shall ensure that the program proposed in the application is subject to a merit review by an independent panel of scientific experts with experience relating to the program.

“(iii) PRIORITY.—In selecting applications under clause (i), the board shall give priority to applications for programs that—

“(I) include multiorganizational partnerships, especially partnerships that include producers; and

“(II) attract the most current and applicable science for nutrient management and energy development

1 that can be applied in the Northeast
2 region.

3 “(D) COST SHARING.—An applicant that
4 receives a grant under this paragraph shall pro-
5 vide not less than 20 percent of the cost of the
6 project carried out by the applicant.

7 “(e) AVAILABILITY OF RESULTS.—The consortium
8 shall ensure that the results of each project carried out
9 pursuant to the program are made publicly available.

10 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated such sums as are nec-
12 essary to carry out this section.

13 **“SEC. 9023. FUTURE FARMSTEADS PROGRAM.**

14 “(a) ESTABLISHMENT.—The Secretary shall estab-
15 lish a program to equip, in each of 5 regions of the United
16 States chosen to represent different farming practices, a
17 farm house and its surrounding fields, facilities, and for-
18 ested areas with technologies to—

19 “(1) improve farm energy production and en-
20 ergy use efficiencies;

21 “(2) provide working examples to farmers; and

22 “(3) serve as an education, demonstration, and
23 research facility that will teach graduate students
24 whose focus of research is related to either renew-
25 able energy or energy conservation technologies.

1 “(b) GOALS.—The goals of the program established
2 under subsection (a) shall be to—

3 “(1) advance farm energy use efficiencies and
4 the on-farm production of renewable energies, along
5 with advanced communication and control tech-
6 nologies with the latest in energy capture and con-
7 version techniques, thereby enhancing rural energy
8 independence and creating new revenues for rural
9 economies;

10 “(2) accelerate private sector and university re-
11 search into the efficient on-farm production of re-
12 newable fuels and help educate the farming industry,
13 students, and the general public; and

14 “(3) accelerate energy independence, including
15 the production and the conservation of renewable en-
16 ergies on farms.

17 “(c) COLLABORATION PARTNERS.—The program
18 under this section shall be carried out in partnership with
19 regional land grant institutions, agricultural commodity
20 commissions, biofuels companies, sensor and controls com-
21 panies, and internet technology companies.

22 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
23 are authorized to be appropriated such sums as are nec-
24 essary to carry out this section.”.

1 **SEC. 9002. SENSE OF THE SENATE CONCERNING HIGHER**
2 **LEVELS OF ETHANOL BLENDED GASOLINE.**

3 (a) FINDINGS.—The Senate finds that, as of the date
4 of enactment of this Act—

5 (1) annual ethanol production capacity totals
6 6,800,000,000 gallons;

7 (2) current and planned construction of ethanol
8 refineries will likely increase annual ethanol produc-
9 tion capacity to 12,000,000,000 to 13,000,000,000
10 gallons by December 31, 2009;

11 (3) under existing regulations, only gasoline
12 blended with up to 10 percent ethanol (commonly
13 known as “E-10”) may be consumed by nonflexible
14 fuel vehicles;

15 (4) the total market demand for E-10—

16 (A) is limited to 10 percent of domestic
17 motor fuel consumption; and

18 (B) is further constrained by State-admin-
19 istered reformulated gasoline regulations and
20 regional infrastructure constraints;

21 (5) beyond the market demand for E-10, insuf-
22 ficient E-85 infrastructure exists to absorb the in-
23 creased ethanol production beyond 12,000,000,000
24 to 13,000,000,000 gallons in the short term;

25 (6) the approval of intermediate blends of eth-
26 anol-blended gasoline, such as E-13, E-15, E-20,

1 and higher blends, is critical to the uninterrupted
2 growth of the United States biofuels industry; and
3 (7) maintaining the growth of the United
4 States biofuels industry is a matter of national secu-
5 rity and sustainable economic growth.

6 (b) SENSE OF THE SENATE.—It is the sense of the
7 Senate that the Secretary should—

8 (1) collaborate with the Secretary of Energy,
9 the Secretary of Transportation, and the Adminis-
10 trator of the Environmental Protection Agency in
11 conducting a study of the economic and environ-
12 mental effects of intermediate blends of ethanol in
13 United States fuel supply;

14 (2) ensure that the approval of intermediate
15 blends of ethanol occurs after the appropriate tests
16 have successfully concluded proving the drivability,
17 compatibility, emissions, durability, and health ef-
18 fects of higher blends of ethanol-blended gasoline;
19 and

20 (3) ensure that the approval of intermediate
21 blends of ethanol-blended gasoline occurs by not
22 later than 1 year after the date of enactment of this
23 Act.

1 **SEC. 9003. CONFORMING AMENDMENTS.**

2 (a) BIOMASS RESEARCH AND DEVELOPMENT ACT OF
3 2000.—Title III of the Agricultural Risk Protection Act
4 of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is re-
5 pealed.

6 (b) MARKETING PROGRAM FOR BIOBASED PROD-
7 UCTS.—

8 (1) IMPLEMENTATION.—

9 (A) IN GENERAL.—The Secretary shall
10 continue to carry out the designation and label-
11 ing of biobased products in accordance with sec-
12 tion 9002 of the Farm Security and Rural In-
13 vestment Act of 2002 (7 U.S.C. 8102) as in ef-
14 fect on the day before the date of enactment of
15 this Act until the date on which the Secretary
16 is able to begin carrying out section 9002(a) of
17 that Act (as amended by section 9001), which
18 shall begin not later than 90 days after the date
19 of enactment of this Act.

20 (B) EXISTING LISTINGS.—Biobased prod-
21 ucts designated and labeled under section 9002
22 of the Farm Security and Rural Investment Act
23 of 2002 (7 U.S.C. 8102) as in effect on the day
24 before the date of enactment of this Act shall
25 continue to be considered designated and la-

1 beled biobased products after the date of enact-
2 ment of this Act.

3 (C) PROPOSED ITEM DESIGNATIONS.—

4 Notwithstanding any other provision of this Act
5 or an amendment made by this Act, the Sec-
6 retary shall have the authority to finalize the
7 listings of any item proposed (prior to the date
8 of enactment of this Act) to be designated in
9 accordance with section 9002 of the Farm Se-
10 curity and Rural Investment Act of 2002 (7
11 U.S.C. 8102) as in effect on the day before the
12 date of enactment of this Act.

13 (2) BIOENERGY EDUCATION AND AWARENESS
14 CAMPAIGN.—Section 947 of the Energy Policy Act
15 of 2005 (42 U.S.C. 16256) is repealed.

16 **TITLE X—LIVESTOCK MAR-**
17 **KETING, REGULATORY, AND**
18 **RELATED PROGRAMS**

19 **Subtitle A—Marketing**

20 **SEC. 10001. LIVESTOCK MANDATORY REPORTING.**

21 (a) MANDATORY REPORTING FOR SWINE.—Section
22 232(c)(3) of the Agricultural Marketing Act of 1946 (7
23 U.S.C. 1635j(c)(3)) is amended—

24 (1) in subparagraph (A), by striking “2:00
25 p.m.” and inserting “3:00 p.m.”; and

1 (2) in subparagraph (B), by striking “3:00
2 p.m.” and inserting “4:00 p.m.”.

3 (b) MANDATORY PACKER REPORTING OF PORK
4 PRODUCTS SALES.—

5 (1) IN GENERAL.—Section 232 of the Agricul-
6 tural Marketing Act of 1946 (7 U.S.C. 1635j) is
7 amended by adding at the end the following:

8 “(f) MANDATORY PACKER REPORTING OF PORK
9 PRODUCTS SALES.—

10 “(1) IN GENERAL.—Beginning not earlier than
11 the date on which the report under section
12 10001(b)(2)(C) of the Food and Energy Security
13 Act of 2007 is submitted, the Secretary may require
14 the corporate officers or officially designated rep-
15 resentative of each packer processing plant to report
16 to the Secretary at least twice each reporting day
17 (not less than once before, and once after, 12:00
18 noon Central Time) information on total pork prod-
19 ucts sales, including price and volume information as
20 specified by the Secretary.

21 “(2) PUBLICATION.—The Secretary shall make
22 available to the public any information required to
23 be reported under subparagraph (A) (including in-
24 formation on pork cuts and retail-ready pork prod-
25 ucts) not less than twice each reporting day.”.

1 (2) STUDY AND REPORT.—

2 (A) STUDY.—The Secretary shall conduct
3 a study on the effects of requiring packer proc-
4 essing plants to report to the Secretary infor-
5 mation on total pork products sales (including
6 price and volume information), including—

7 (i) the positive or negative economic
8 effects on producers and consumers; and

9 (ii) the effects of a confidentiality re-
10 quirement on mandatory reporting.

11 (B) INFORMATION.—The Secretary may
12 collect such information as is necessary to en-
13 able the Secretary to conduct the study re-
14 quired under subparagraph (A).

15 (C) REPORT.—Not later than 180 days
16 after the date of enactment of this Act, the Sec-
17 retary shall submit to the Committee on Agri-
18 culture of the House of Representatives and the
19 Committee on Agriculture, Nutrition, and For-
20 estry of the Senate a report on the results of
21 the study conducted under subparagraph (A).

22 (c) PUBLICATION OF INFORMATION ON RETAIL PUR-
23 CHASE PRICES FOR REPRESENTATIVE MEAT PROD-
24 UCTS.—Section 257(a) of the Agricultural Marketing Act
25 of 1946 (7 U.S.C. 1636f(a)) is amended by inserting “and

1 continuing not less than each month thereafter” after
2 “this subtitle”.

3 **SEC. 10002. GRADING AND INSPECTION.**

4 (a) GRADING.—Section 203 of the Agricultural Mar-
5 keting Act of 1946 (7 U.S.C. 1622) is amended—

6 (1) by redesignating subsection (n) as sub-
7 section (o); and

8 (2) by inserting after subsection (m) the fol-
9 lowing:

10 “(n) GRADING PROGRAM.—To establish, within the
11 Agricultural Marketing Service, a voluntary grading pro-
12 gram for farm-raised animals described in section
13 10806(a)(1) of the Farm Security and Rural Investment
14 Act of 2002 (21 U.S.C. 321d(a)(1)).”.

15 (b) AMENABLE SPECIES.—Section 1(w) of the Fed-
16 eral Meat Inspection Act (21 U.S.C. 601(w)) is amend-
17 ed—

18 (1) in paragraph (1), by striking “and” at the
19 end;

20 (2) by redesignating paragraph (2) as para-
21 graph (3); and

22 (3) by inserting after paragraph (1) the fol-
23 lowing:

1 “(2) farm-raised animals described in section
2 10806(a)(1) of the Farm Security and Rural Invest-
3 ment Act of 2002 (21 U.S.C. 321d(a)(1)); and”.

4 (c) EXISTING ACTIVITIES.—The Secretary shall en-
5 sure, to the maximum extent practicable, that nothing in
6 an amendment made by this section duplicates or impedes
7 any of the food safety activities conducted by the Depart-
8 ment of Commerce or the Food and Drug Administration.

9 **SEC. 10003. COUNTRY OF ORIGIN LABELING.**

10 Subtitle D of the Agricultural Marketing Act of 1946
11 (7 U.S.C. 1638 et seq.) is amended—

12 (1) in section 281(2)(A)—

13 (A) in clause (v), by striking “and”;

14 (B) in clause (vi), by striking the period at
15 the end and inserting “; and”; and

16 (C) by adding at the end the following:

17 “(vii) meat produced from goats; and

18 “(viii) macadamia nuts.”;

19 (2) in section 282—

20 (A) in subsection (a), by striking para-
21 graphs (2) and (3) and inserting the following:

22 “(2) DESIGNATION OF COUNTRY OF ORIGIN
23 FOR BEEF, LAMB, PORK, AND GOAT MEAT.—

24 “(A) UNITED STATES COUNTRY OF ORI-
25 GIN.—A retailer of a covered commodity that is

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1 beef, lamb, pork, or goat meat may designate
2 the covered commodity as exclusively having a
3 United States country of origin only if the cov-
4 ered commodity is derived from an animal that
5 was—

6 “(i) exclusively born, raised, and
7 slaughtered in the United States;

8 “(ii) born and raised in Alaska or Ha-
9 waii and transported for a period of not
10 more than 60 days through Canada to the
11 United States and slaughtered in the
12 United States; or

13 “(iii) present in the United States on
14 or before January 1, 2008, and once
15 present in the United States, remained
16 continuously in the United States.

17 “(B) MULTIPLE COUNTRIES OF ORIGIN.—

18 “(i) IN GENERAL.—A retailer of a
19 covered commodity that is beef, lamb,
20 pork, or goat meat that is derived from an
21 animal that is—

22 “(I) not exclusively born, raised,
23 and slaughtered in the United States,

24 “(II) born, raised, or slaughtered
25 in the United States, and

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1 “(III) not imported into the
2 United States for immediate slaugh-
3 ter,
4 may designate the country of origin of
5 such covered commodity as all of the coun-
6 tries in which the animal may have been
7 born, raised, or slaughtered.

8 “(ii) RELATION TO GENERAL RE-
9 QUIREMENT.—Nothing in this subpara-
10 graph alters the mandatory requirement to
11 inform consumers of the country of origin
12 of covered commodities under paragraph
13 (1).

14 “(C) IMPORTED FOR IMMEDIATE SLAUGH-
15 TER.—A retailer of a covered commodity that is
16 beef, lamb, pork, or goat meat that is derived
17 from an animal that is imported into the
18 United States for immediate slaughter shall
19 designate the origin of such covered commodity
20 as—

21 “(i) the country from which the ani-
22 mal was imported; and

23 “(ii) the United States.

24 “(D) FOREIGN COUNTRY OF ORIGIN.—A
25 retailer of a covered commodity that is beef,

1 lamb, pork, or goat meat that is derived from
2 an animal that is not born, raised, or slaugh-
3 tered in the United States shall designate a
4 country other than the United States as the
5 country of origin of such commodity.

6 “(E) GROUND BEEF, PORK, LAMB, AND
7 GOAT.—The notice of country of origin for
8 ground beef, ground pork, ground lamb, or
9 ground goat shall include—

10 “(i) a list of all countries of origin of
11 such ground beef, ground pork, ground
12 lamb, or ground goat; or

13 “(ii) a list of all reasonably possible
14 countries of origin of such ground beef,
15 ground pork, ground lamb, or ground goat.

16 “(3) DESIGNATION OF COUNTRY OF ORIGIN
17 FOR FISH.—

18 “(A) IN GENERAL.—A retailer of a covered
19 commodity that is farm-raised fish or wild fish
20 may designate the covered commodity as having
21 a United States country of origin only if the
22 covered commodity—

23 “(i) in the case of farm-raised fish, is
24 hatched, raised, harvested, and processed
25 in the United States; and

1 “(ii) in the case of wild fish, is—

2 “(I) harvested in the United
3 States, a territory of the United
4 States, or a State, or by a vessel that
5 is documented under chapter 121 of
6 title 46, United States Code, or reg-
7 istered in the United States; and

8 “(II) processed in the United
9 States, a territory of the United
10 States, or a State, including the wa-
11 ters thereof.

12 “(B) DESIGNATION OF WILD FISH AND
13 FARM-RAISED FISH.—The notice of country of
14 origin for wild fish and farm-raised fish shall
15 distinguish between wild fish and farm-raised
16 fish.

17 “(4) DESIGNATION OF COUNTRY OF ORIGIN
18 FOR PERISHABLE AGRICULTURAL COMMODITIES,
19 PEANUTS, AND MACADAMIA NUTS.—

20 “(A) IN GENERAL.—A retailer of a covered
21 commodity that is a perishable agricultural
22 commodity, peanut, or macadamia nut may des-
23 ignate the covered commodity as having a
24 United States country of origin only if the cov-

1 ered commodity is exclusively produced in the
2 United States.

3 “(B) STATE, REGION, LOCALITY OF THE
4 UNITED STATES.—With respect to a covered
5 commodity that is a perishable agricultural
6 commodity produced exclusively in the United
7 States, designation by a retailer of the State,
8 region, or locality of the United States where
9 such commodity was produced shall be suffi-
10 cient to identify the United States as the coun-
11 try of origin.”; and

12 (B) by striking subsection (d) and insert-
13 ing the following:

14 “(d) AUDIT VERIFICATION SYSTEM.—

15 “(1) IN GENERAL.—The Secretary may conduct
16 an audit of any person that prepares, stores, han-
17 dles, or distributes a covered commodity for retail
18 sale to verify compliance with this subtitle (including
19 the regulations promulgated under section 284(b)).

20 “(2) RECORD REQUIREMENTS.—

21 “(A) IN GENERAL.—A person subject to
22 an audit under paragraph (1) shall provide the
23 Secretary with verification of the country of ori-
24 gin of covered commodities. Records maintained
25 in the course of the normal conduct of the busi-

1 ness of such person, including animal health pa-
2 pers, import or customs documents, or producer
3 affidavits, may serve as such verification.

4 “(B) PROHIBITION ON REQUIREMENT OF
5 ADDITIONAL RECORDS.—The Secretary may not
6 require a person that prepares, stores, handles,
7 or distributes a covered commodity to maintain
8 a record of the country of origin of a covered
9 commodity other than those maintained in the
10 course of the normal conduct of the business of
11 such person.”;

12 (3) in section 283—

13 (A) by striking subsections (a) and (c);

14 (B) by redesignating subsection (b) as sub-
15 section (a);

16 (C) in subsection (a) (as so redesignated),
17 by striking “retailer” and inserting “retailer or
18 person engaged in the business of supplying a
19 covered commodity to a retailer”; and

20 (D) by adding at the end the following new
21 subsection:

22 “(b) FINES.—If, on completion of the 30-day period
23 described in subsection (a)(2), the Secretary determines
24 that the retailer or person engaged in the business of sup-
25 plying a covered commodity to a retailer has—

1 “(1) not made a good faith effort to comply
2 with section 282, and

3 “(2) continues to willfully violate section 282
4 with respect to the violation about which the retailer
5 or person received notification under subsection
6 (a)(1),
7 after providing notice and an opportunity for a hearing
8 before the Secretary with respect to the violation, the Sec-
9 retary may fine the retailer or person in an amount of
10 not more than \$1,000 for each violation.”.

11 **Subtitle B—Agricultural Fair**
12 **Practices**

13 **SEC. 10101. DEFINITIONS.**

14 Section 3 of the Agricultural Fair Practices Act of
15 1967 (7 U.S.C. 2302) is amended—

16 (1) by striking “When used in this Act—” and
17 inserting “In this Act.”;

18 (2) in subsection (a)—

19 (A) by redesignating paragraphs (1)
20 through (4) as subparagraphs (A) through (D),
21 respectively; and

22 (B) in subparagraph (D) (as so redesign-
23 nated), by striking “clause (1), (2), or (3) of
24 this paragraph” and inserting “subparagraphs
25 (A), (B), or (C)”;

1 (3) by striking subsection (d);

2 (4) by redesignating subsections (a), (b), (c),
3 and (e) as paragraphs (3), (4), (2), (1), respectively,
4 indenting appropriately, and moving those para-
5 graphs so as to appear in numerical order;

6 (5) in each paragraph (as so redesignated) that
7 does not have a heading, by inserting a heading, in
8 the same style as the heading in the amendment
9 made by paragraph (6), the text of which is com-
10 prised of the term defined in the paragraph;

11 (6) in paragraph (2) (as so redesignated)—

12 (A) by striking “The term ‘association of
13 producers’ means” and inserting the following:

14 “(2) ASSOCIATION OF PRODUCERS.—

15 “(A) IN GENERAL.—The term ‘association
16 of producers’ means”; and

17 (B) by adding at the end the following:

18 “(B) INCLUSION.—The term ‘association
19 of producers’ includes an organization of agri-
20 cultural producers dedicated to promoting the
21 common interest and general welfare of pro-
22 ducers of agricultural products.”; and

23 (7) by adding at the end the following:

24 “(5) SECRETARY.—The term ‘Secretary’ means
25 the Secretary of Agriculture.”.

1 **SEC. 10102. PROHIBITED PRACTICES.**

2 Section 4 of the Agricultural Fair Practices of 1967
3 (7 U.S.C. 2303) is amended—

4 (1) by redesignating subsections (a), (b), (c),
5 (d), (e), and (f) as paragraphs (1), (2), (3), (4), (5),
6 and (7), respectively, and indenting appropriately;

7 (2) in paragraph (1) (as so redesignated)—

8 (A) by striking “join and belong” each
9 place it appears and inserting “form, join, and
10 belong”; and

11 (B) by striking “joining or belonging” and
12 inserting “forming, joining, or belonging”; and

13 (3) by inserting after paragraph (5) (as so re-
14 designated) the following:

15 “(6) To fail to bargain in good faith with an as-
16 sociation of producers; or”.

17 **SEC. 10103. ENFORCEMENT.**

18 The Agricultural Fair Practices Act of 1967 is
19 amended—

20 (1) by striking sections 5 and 6 (7 U.S.C.
21 2304, 2305); and

22 (2) by inserting after section 4 the following:

23 **“SEC. 5. ENFORCEMENT.**

24 “(a) CIVIL ACTIONS BY THE SECRETARY AGAINST
25 HANDLERS.—In any case in which the Secretary has rea-
26 sonable cause to believe that a handler or group of han-

1 dlers has engaged in any act or practice that violates this
2 Act, the Secretary may bring a civil action in United
3 States district court by filing a complaint requesting pre-
4 ventive relief, including an application for a permanent or
5 temporary injunction, restraining order, or other order,
6 against the handler.

7 “(b) CIVIL ACTIONS AGAINST HANDLERS.—

8 “(1) PREVENTIVE RELIEF.—

9 “(A) IN GENERAL.—In any case in which
10 any handler has engaged, or there are reason-
11 able grounds to believe that any handler is
12 about to engage, in any act or practice prohib-
13 ited by this Act, a civil action for preventive re-
14 lief, including an application for a permanent or
15 temporary injunction, restraining order, or
16 other order, may be instituted by the person ag-
17 grievied in United States district court.

18 “(B) SECURITY.—The court may provide
19 that no restraining order or preliminary injunc-
20 tion shall issue unless security is provided by
21 the applicant, in such sum as the court deter-
22 mines to be appropriate, for the payment of
23 such costs and damages as may be incurred or
24 suffered by any party that is found to have
25 been wrongfully enjoined or restrained.

1 “(2) DAMAGES.—

2 “(A) IN GENERAL.—Any person injured in
3 the business or property of the person by rea-
4 son of any violation of, or combination or con-
5 spiracy to violate, this Act may bring a civil ac-
6 tion in United States district court to recover—

7 “(i) damages sustained by the person
8 as a result of the violation; and

9 “(ii) any additional penalty that the
10 court may allow, but not more than \$1,000
11 per violation.

12 “(B) LIMITATION ON ACTIONS.—A civil ac-
13 tion under subparagraph (A) shall be barred
14 unless commenced within 4 years after the
15 cause of action accrues.

16 “(3) ATTORNEYS’ FEES.—In any action com-
17 menced under paragraph (1) or (2), any person that
18 has violated this Act shall be liable to any person in-
19 jured as a result of the violation for the full amount
20 of the damages sustained as a result of the violation,
21 including costs of the litigation and reasonable attor-
22 neys’ fees.

23 “(c) JURISDICTION OF DISTRICT COURTS.—The dis-
24 trict courts of the United States shall—

1 “(1) have jurisdiction of proceedings instituted
2 pursuant to this section; and

3 “(2) exercise that jurisdiction without regard to
4 whether the aggrieved party shall have exhausted
5 any administrative or other remedies that may be
6 provided by law.

7 “(d) LIABILITY FOR ACTS OF AGENTS.—In the con-
8 struction and enforcement of this Act, the act, omission,
9 or failure of any officer, agent, or person acting for or
10 employed by any other person within the scope of the em-
11 ployment or office of the officer, agent, or person, shall
12 be considered to be the act, omission, or failure of the
13 other person.

14 “(e) RELATIONSHIP TO STATE LAW.—Nothing in
15 this Act—

16 “(1) changes or modifies State law in effect on
17 the date of enactment of this subsection; or

18 “(2) deprives a State court of jurisdiction.”.

19 **SEC. 10104. RULES AND REGULATIONS.**

20 The Agricultural Fair Practices Act of 1967 is
21 amended by inserting after section 5 (as added by section
22 10103) the following:

23 **“SEC. 6. RULES AND REGULATIONS.**

24 “The Secretary may promulgate such rules and regu-
25 lations as are necessary to carry out this Act, including

1 rules or regulations necessary to clarify what constitutes
2 fair and normal dealing for purposes of the selection of
3 customers by handlers.”.

4 **Subtitle C—Packers and**
5 **Stockyards**

6 **SEC. 10201. SPECIAL COUNSEL FOR AGRICULTURAL COM-**
7 **PETITION.**

8 (a) IN GENERAL.—The Packers and Stockyards Act,
9 1921 (7 U.S.C. 181 et seq.) is amended—

10 (1) by striking the title I heading and all that
11 follows through “This Act” and inserting the fol-
12 lowing:

13 **“TITLE I—GENERAL PROVISIONS**
14 **“Subtitle A—Definitions**

15 **“SEC. 1. SHORT TITLE.**

16 “This Act”; and

17 (2) by inserting after section 2 (7 U.S.C. 183)
18 the following:

19 **“Subtitle B—Special Counsel for**
20 **Agricultural Competition**

21 **“SEC. 11. SPECIAL COUNSEL FOR AGRICULTURAL COM-**
22 **PETITION.**

23 “(a) ESTABLISHMENT.—

24 “(1) IN GENERAL.—There is established within
25 the Department of Agriculture an office to be known

1 as the ‘Office of Special Counsel for Agricultural
2 Competition’ (referred to in this section as the ‘Of-
3 fice’).

4 “(2) DUTIES.—The Office shall—

5 “(A) have responsibility for all duties and
6 functions of the Packers and Stockyards pro-
7 grams of the Department of Agriculture;

8 “(B) investigate and prosecute violations of
9 this Act and the Agricultural Fair Practices Act
10 of 1967 (7 U.S.C. 2301 et seq.);

11 “(C) serve as a liaison between, and act in
12 consultation with, the Department of Agri-
13 culture, the Department of Justice, and the
14 Federal Trade Commission with respect to com-
15 petition and trade practices in the food and ag-
16 ricultural sector; and

17 “(D) maintain a staff of attorneys and
18 other professionals with the appropriate exper-
19 tise.

20 “(b) SPECIAL COUNSEL FOR AGRICULTURAL COM-
21 PETITION.—

22 “(1) IN GENERAL.—The Office shall be headed
23 by the Special Counsel for Agricultural Competition
24 (referred to in this section as the ‘Special Counsel’),

1 who shall be appointed by the President, by and
2 with the advice and consent of the Senate.

3 “(2) INDEPENDENCE OF SPECIAL AUTHOR-
4 ITY.—

5 “(A) IN GENERAL.—The Special Counsel
6 shall report to and be under the general super-
7 vision of the Secretary.

8 “(B) DIRECTION, CONTROL, AND SUP-
9 PORT.—The Special Counsel shall be free from
10 the direction and control of any person in the
11 Department of Agriculture other than the Sec-
12 retary.

13 “(C) PROHIBITION ON DELEGATION.—The
14 Secretary may not delegate any duty described
15 in subsection (a)(2) to any other officer or em-
16 ployee of the Department other than the Spe-
17 cial Counsel.

18 “(D) REPORTING REQUIREMENT.—

19 “(i) IN GENERAL.—Twice each year,
20 the Special Counsel shall submit to the
21 Committee on Agriculture of the House of
22 Representatives and the Committee on Ag-
23 riculture, Nutrition, and Forestry of the
24 Senate a report that shall include, for the

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1 relevant reporting period, a description
2 of—

3 “(I) the number of complaints
4 that the Special Counsel has received
5 and closed;

6 “(II)(aa) the number of inves-
7 tigations and civil and administrative
8 actions that the Special Counsel has
9 initiated, carried out, and completed,
10 including the number of notices given
11 to regulated entities for violations of
12 this Act or the Agricultural Fair
13 Practices Act of 1967 (7 U.S.C. 2301
14 et seq.);

15 “(bb) the number and types of
16 decisions agreed to; and

17 “(cc) the number of stipulation
18 agreements; and

19 “(III) the number of investiga-
20 tions and civil and administrative ac-
21 tions that the Secretary objected to or
22 prohibited from being carried out, and
23 the stated purpose of the Secretary
24 for each objection or prohibition.

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1 “(ii) REQUIREMENT.—The basis for
2 each complaint, investigation, or civil or
3 administrative action described in a report
4 under clause (i) shall—

5 “(I) be organized by species; and

6 “(II) indicate if the complaint,
7 investigation, or civil or administra-
8 tion action was for anti-competitive,
9 unfair, or deceptive practices under
10 this Act or was a violation of the Ag-
11 ricultural Fair Practices Act of 1967
12 (7 U.S.C. 2301 et seq.).

13 “(E) REMOVAL.—

14 “(i) IN GENERAL.—The Special Coun-
15 sel may be removed from office by the
16 President.

17 “(ii) COMMUNICATION.—The Presi-
18 dent shall communicate the reasons for
19 any such removal to both Houses of Con-
20 gress.

21 “(3) PROSECUTORIAL AUTHORITY.—Subject to
22 paragraph (4), the Special Counsel may commence,
23 defend, or intervene in, and supervise the litigation
24 of, any civil or administrative action authorized

1 under this Act or the Agricultural Fair Practices
2 Act of 1967 (7 U.S.C. 2301 et seq.).

3 “(4) PROCEDURE FOR EXERCISE OF AUTHOR-
4 ITY TO LITIGATE OR APPEAL.—

5 “(A) IN GENERAL.—Prior to commencing,
6 defending, or intervening in any civil action
7 under this Act or the Agricultural Fair Prac-
8 tices Act of 1967 (7 U.S.C. 2301 et seq.), the
9 Special Counsel shall give written notification
10 to, and attempt to consult with, the Attorney
11 General with respect to the proposed action.

12 “(B) FAILURE TO RESPOND.—If, not later
13 than 45 days after the date of provision of noti-
14 fication under subparagraph (A), the Attorney
15 General has failed to commence, defend, or in-
16 tervene in the proposed action, the Special
17 Counsel may commence, defend, or intervene in,
18 and supervise the litigation of, the action and
19 any appeal of the action in the name of the
20 Special Counsel.

21 “(C) AUTHORITY OF ATTORNEY GENERAL
22 TO INTERVENE.—Nothing in this paragraph
23 precludes the Attorney General from inter-
24 vening on behalf of the United States in any
25 civil action under this Act or the Agricultural

1 Fair Practices Act of 1967 (7 U.S.C. 2301 et
2 seq.), or in any appeal of such action, as may
3 be otherwise provided by law.

4 “(c) RELATIONSHIP TO OTHER PROVISIONS.—Noth-
5 ing in this section modifies or otherwise effects subsections
6 (a) and (b) of section 406.”.

7 (b) CONFORMING AMENDMENT.—Section 5315 of
8 title 5, United States Code, is amended by adding at the
9 end the following:

10 “Special Counsel for Agricultural Competi-
11 tion.”.

12 **SEC. 10202. INVESTIGATION OF LIVE POULTRY DEALERS.**

13 (a) REMOVAL OF POULTRY SLAUGHTER REQUIRE-
14 MENT FROM DEFINITIONS.—Section 2(a) of the Packers
15 and Stockyards Act, 1921 (7 U.S.C. 182(a)), is amend-
16 ed—

17 (1) by striking paragraph (8) and inserting the
18 following:

19 “(8) POULTRY GROWER.—

20 “(A) IN GENERAL.—The term ‘poultry
21 grower’ means any person engaged in the busi-
22 ness of raising or caring for live poultry under
23 a poultry growing arrangement, regardless of
24 whether the poultry is owned by the person or
25 by another person.

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1 “(B) EXCLUSION.—The term ‘poultry
2 grower’ does not include an employee of the
3 owner of live poultry described in subparagraph
4 (A).”;

5 (2) in paragraph (9), by striking “and cares for
6 live poultry for delivery, in accord with another’s in-
7 structions, for slaughter” and inserting “or cares for
8 live poultry in accordance with the instructions of
9 another person”; and

10 (3) in paragraph (10), by striking “for the pur-
11 pose of either slaughtering it or selling it for slaugh-
12 ter by another”.

13 (b) ADMINISTRATIVE ENFORCEMENT AUTHORITY
14 OVER LIVE POULTRY DEALERS.—Sections 203, 204, and
15 205 of the Packers and Stockyards Act, 1921 (7 U.S.C.
16 193, 194, 195), are amended by inserting “or live poultry
17 dealer” after “packer” each place it appears.

18 (c) AUTHORITY TO REQUEST TEMPORARY INJUNC-
19 TION OR RESTRAINING ORDER.—Section 408 of the Pack-
20 ers and Stockyards Act, 1921 (7 U.S.C. 228a), is amend-
21 ed in the first sentence by striking “on account of poultry”
22 and inserting “on account of poultry or poultry care”.

23 (d) VIOLATIONS BY LIVE POULTRY DEALERS.—

24 (1) PENALTY.—Section 203(b) of the Packers
25 and Stockyards Act, 1921 (7 U.S.C. 193(b)) is

1 amended in the third sentence by striking
2 “\$10,000” and inserting “\$22,000”.

3 (2) REPEALS.—Sections 411, 412, and 413 of
4 the Packers and Stockyards Act, 1921 (7 U.S.C.
5 228b-2, 228b-3, 228b-4)), are repealed.

6 **SEC. 10203. PRODUCTION CONTRACTS.**

7 (a) DEFINITIONS.—Section 2(a) of the Packers and
8 Stockyards Act, 1921 (7 U.S.C. 182(a)) is amended—

9 (1) by striking “When used in this Act—” and
10 inserting “In this Act.”;

11 (2) by striking paragraph (1);

12 (3) by redesignating paragraphs (2), (3), (4),
13 (5), (6), (7), (8), (9), (10), (11), (12), (13), and
14 (14) as paragraphs (15), (6), (8), (9), (10), (13),
15 (11), (12), (7), (2), (16), (17), and (18), respec-
16 tively, indenting appropriately, and moving those
17 paragraphs so as to appear in numerical order;

18 (4) in each paragraph (as so redesignated) that
19 does not have a heading, by inserting a heading, in
20 the same style as the heading in the amendment
21 made by paragraph (5), the text of which is com-
22 prised of the term defined in the paragraph;

23 (5) by inserting before paragraph (2) (as so
24 designated) the following:

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1 “(1) CAPITAL INVESTMENT.—The term ‘capital
2 investment’ means an investment in—

3 “(A) a structure, such as a building or ma-
4 nure storage structure; or

5 “(B) machinery or equipment associated
6 with producing livestock or poultry that has a
7 useful life of more than 1 year.”;

8 (6) by inserting after paragraph (2) (as so re-
9 designated) the following:

10 “(3) CONTRACTOR.—

11 “(A) IN GENERAL.—The term ‘contractor’
12 means a person that, in accordance with a pro-
13 duction contract, obtains livestock or poultry
14 that is produced by a contract producer.

15 “(B) INCLUSIONS.—The term ‘contractor’
16 includes—

17 “(i) a live poultry dealer; and

18 “(ii) a swine contractor.

19 “(4) CONTRACT PRODUCER.—

20 “(A) IN GENERAL.—The term ‘contract
21 producer’ means a producer that produces live-
22 stock or poultry under a production contract.

23 “(B) INCLUSIONS.—The term ‘contract
24 producer’ includes—

25 “(i) a poultry grower; and

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1 “(ii) a swine production contract
2 grower.

3 “(5) INVESTMENT REQUIREMENT.—The term
4 ‘investment requirement’ means—

5 “(A) a provision in a production contract
6 that requires a contract producer to make a
7 capital investment associated with producing
8 livestock or poultry that, but for the production
9 contract, the contract producer would not have
10 made; or

11 “(B) a representation by a contractor that
12 results in a contract producer making a capital
13 investment.”; and

14 (7) by inserting after paragraph (13) (as so re-
15 designated) the following:

16 “(14) PRODUCTION CONTRACT.—

17 “(A) IN GENERAL.—The term ‘production
18 contract’ means a written agreement that pro-
19 vides for—

20 “(i) the production of livestock or
21 poultry by a contract producer; or

22 “(ii) the provision of a management
23 service relating to the production of live-
24 stock or poultry by a contract producer.

1 “(B) INCLUSIONS.—The term ‘production
2 contract’ includes—

3 “(i) a poultry growing arrangement;

4 “(ii) a swine production contract;

5 “(iii) any other contract between a
6 contractor and a contract producer for the
7 production of livestock or poultry; and

8 “(iv) a contract between a live poultry
9 dealer and poultry grower, swine con-
10 tractor and swine production contract
11 grower, or contractor and contract pro-
12 ducer for the provision of a management
13 service in the production of livestock or
14 poultry.”.

15 (b) PROHIBITIONS INVOLVING PRODUCTION CON-
16 TRACTS.—Title II of the Packers and Stockyards Act,
17 1921 (7 U.S.C. 198 et seq.), is amended by adding at the
18 end the following:

19 **“SEC. 208. PRODUCTION CONTRACTS.**

20 “(a) RIGHT OF CONTRACT PRODUCERS TO CANCEL
21 PRODUCTION CONTRACTS.—

22 “(1) IN GENERAL.—A contract producer may
23 cancel a production contract by mailing a cancella-
24 tion notice to the contractor not later than the later
25 of—

1 “(A) the date that is 3 business days after
2 the date on which the production contract is ex-
3 ecuted; or

4 “(B) any cancellation date specified in the
5 production contract.

6 “(2) DISCLOSURE.—A production contract shall
7 clearly disclose—

8 “(A) the right of the contract producer to
9 cancel the production contract;

10 “(B) the method by which the contract
11 producer may cancel the production contract;
12 and

13 “(C) the deadline for canceling the produc-
14 tion contract.

15 “(b) PRODUCTION CONTRACTS INVOLVING INVEST-
16 MENT REQUIREMENTS.—

17 “(1) APPLICABILITY.—This subsection applies
18 only to a production contract between a contract
19 producer and a contractor if the contract producer
20 detrimentally relied on a representation by the con-
21 tractor or a provision in the production contract that
22 resulted in the contract producer making a capital
23 investment of \$100,000 or more.

24 “(2) RESTRICTIONS ON CONTRACT TERMI-
25 NATION.—

1 “(A) NOTICE OF TERMINATION.—Except
2 as provided in subparagraph (C), a contractor
3 shall not terminate or cancel a production con-
4 tract unless the contractor provides the contract
5 producer with written notice of the intention of
6 the contractor to terminate or cancel the pro-
7 duction contract at least 90 days before the ef-
8 fective date of the termination or cancellation.

9 “(B) REQUIREMENTS.—The written notice
10 required under subparagraph (A) shall include
11 alleged causes of the termination.

12 “(C) EXCEPTIONS.—A contractor may ter-
13 minate or cancel a production contract at any
14 time without notice as required under subpara-
15 graph (A) if the basis for the termination or
16 cancellation is—

17 “(i) a voluntary abandonment of the
18 contractual relationship by the contract
19 producer, such as a failure of the contract
20 producer to substantially perform under
21 the production contract;

22 “(ii) the conviction of the contract
23 producer of an offense of fraud or theft
24 committed against the contractor;

1 “(iii) the natural end of the produc-
2 tion contract in accordance with the terms
3 of the production contract; or

4 “(iv) because the well-being of the
5 livestock or poultry subject to the contract
6 is in jeopardy once under the care of the
7 contract producer.

8 “(D) RIGHT TO CURE.—

9 “(i) IN GENERAL.—If, not later than
10 90 days after the date on which the con-
11 tract producer receives written notice
12 under subparagraph (A), the contract pro-
13 ducer remedies each cause of the breach of
14 contract alleged in the written notice, the
15 contractor may not terminate or cancel a
16 production contract under this paragraph.

17 “(ii) NO ADMISSION OF BREACH.—
18 The remedy or attempt to remedy the
19 causes for the breach of contract by the
20 contract producer under clause (i) does not
21 constitute an admission of breach of con-
22 tract.

23 “(c) ADDITIONAL CAPITAL INVESTMENTS IN PRO-
24 Duction Contracts.—

1 “(1) IN GENERAL.—A contractor shall not re-
2 quire a contract producer to make additional capital
3 investments in connection with a production contract
4 that exceed the initial investment requirements of
5 the production contract.

6 “(2) EXCEPTIONS.—Notwithstanding para-
7 graph (1), a contractor may require additional cap-
8 ital investments if—

9 “(A)(i) the additional capital investments
10 are offset by reasonable additional consider-
11 ation, including compensation or a modification
12 to the terms of the production contract; and

13 “(ii) the contract producer agrees in writ-
14 ing that there is acceptable and satisfactory
15 consideration for the additional capital invest-
16 ment; or

17 “(B) without the additional capital invest-
18 ments the well-being of the livestock or poultry
19 subject to the contract would be in jeopardy.

20 “(d) NO EFFECT ON STATE LAW.—Nothing in this
21 section preempts or otherwise affects any State law relat-
22 ing to production contracts that establishes a requirement
23 or standard that is more stringent than a requirement or
24 standard under this section.

1 **“SEC. 209. CHOICE OF LAW, JURISDICTION, AND VENUE.**

2 “(a) CHOICE OF LAW.—Any provision in a livestock
3 or poultry production or marketing contract requiring the
4 application of the law of a State other than the State in
5 which the production occurs is void and unenforceable.

6 “(b) JURISDICTION.—A packer, live poultry dealer,
7 or swine contractor that enters into a production or mar-
8 keting contract with a producer shall be subject to per-
9 sonal jurisdiction in the State in which the production oc-
10 curs.

11 “(c) VENUE.—Venue shall be determined on the basis
12 of the location of the production, unless the producer se-
13 lects a venue that is otherwise permitted by law.

14 “(d) APPLICATION.—This section shall apply to any
15 production or marketing contract entered into, amended,
16 altered, modified, renewed, or extended after the date of
17 enactment of this section.

18 **“SEC. 210. ARBITRATION.**

19 “(a) IN GENERAL.—If a livestock or poultry contract
20 provides for the use of arbitration to resolve a controversy
21 under the livestock or poultry contract, arbitration may
22 be used to settle the controversy only if, after the con-
23 troversy arises, both parties consent in writing to use arbi-
24 tration to settle the controversy.

25 “(b) APPLICATION.—Subsection (a) shall apply to
26 any contract entered into, amended, altered, modified, re-

1 newed, or extended after the date of enactment of this sec-
2 tion.”.

3 **SEC. 10204. RIGHT TO DISCUSS TERMS OF CONTRACT.**

4 Section 10503(b) of the Farm Security and Rural In-
5 vestment Act of 2002 (7 U.S.C. 229b(b)) is amended—

6 (1) in paragraph (6), by striking “or” at the
7 end;

8 (2) in paragraph (7), by striking the period at
9 the end and inserting a semicolon; and

10 (3) by adding at the end the following:

11 “(8) a business associate of the party; or

12 “(9) a neighbor of the party or other pro-
13 ducer.”.

14 **SEC. 10205. ATTORNEYS’ FEES.**

15 Section 308(a) of the Packers and Stockyards Act,
16 1921 (7 U.S.C. 209(a)) is amended by inserting before
17 the period at the end the following: “and for the costs
18 of the litigation, including reasonable attorneys’ fees”.

19 **SEC. 10206. APPOINTMENT OF OUTSIDE COUNSEL.**

20 Section 407 of the Packers and Stockyards Act, 1921
21 (7 U.S.C. 228), is amended—

22 (1) in subsection (a), by inserting “obtain the
23 services of attorneys who are not employees of the
24 Federal Government,” before “and make such ex-
25 penditures”; and

1 (2) in subsection (c), by striking “Senate Com-
2 mittee on Agriculture and Forestry” and inserting
3 “the Committee on Agriculture, Nutrition, and For-
4 estry of the Senate”.

5 **SEC. 10207. PROHIBITION ON PACKERS OWNING, FEEDING,**
6 **OR CONTROLLING LIVESTOCK.**

7 (a) IN GENERAL.—Section 202 of the Packers and
8 Stockyards Act, 1921 (7 U.S.C. 192), is amended—

9 (1) by redesignating subsections (f) and (g) as
10 subsections (g) and (h), respectively; and

11 (2) by inserting after subsection (e) the fol-
12 lowing:

13 “(f) Own or feed livestock directly, through a sub-
14 sidiary, or through an arrangement that gives the packer
15 operational, managerial, or supervisory control over the
16 livestock, or over the farming operation that produces the
17 livestock, to such an extent that the producer is no longer
18 materially participating in the management of the oper-
19 ation with respect to the production of the livestock, ex-
20 cept that this subsection shall not apply to—

21 “(1) an arrangement entered into within 14
22 days (excluding any Saturday or Sunday) before
23 slaughter of the livestock by a packer, a person act-
24 ing through the packer, or a person that directly or

1 indirectly controls, or is controlled by or under com-
2 mon control with, the packer;

3 “(2) a cooperative or entity owned by a cooper-
4 ative, if a majority of the ownership interest in the
5 cooperative is held by active cooperative members
6 that—

7 “(A) own, feed, or control livestock; and

8 “(B) provide the livestock to the coopera-
9 tive for slaughter;

10 “(3) a packer that is not required to report to
11 the Secretary on each reporting day (as defined in
12 section 212 of the Agricultural Marketing Act of
13 1946 (7 U.S.C. 1635a)) information on the price
14 and quantity of livestock purchased by the packer;
15 or

16 “(4) a packer that owns 1 livestock processing
17 plant; or”.

18 (b) EFFECTIVE DATE.—

19 (1) IN GENERAL.—Subject to paragraph (2),
20 the amendments made by subsection (a) take effect
21 on the date of enactment of this Act.

22 (2) TRANSITION RULES.—In the case of a pack-
23 er that on the date of enactment of this Act owns,
24 feeds, or controls livestock intended for slaughter in
25 violation of section 202(f) of the Packers and Stock-

1 yards Act, 1921 (as amended by subsection (a)), the
2 amendments made by subsection (a) apply to the
3 packer—

4 (A) in the case of a packer of swine, begin-
5 ning on the date that is 18 months after the
6 date of enactment of this Act; and

7 (B) in the case of a packer of any other
8 type of livestock, beginning as soon as prac-
9 ticable, but not later than 180 days, after the
10 date of enactment of this Act, as determined by
11 the Secretary.

12 **SEC. 10208. REGULATIONS.**

13 (a) IN GENERAL.—Not later than 180 days after the
14 date of enactment of this Act, the Secretary of Agriculture
15 shall promulgate regulations to implement the amend-
16 ments made by this title, including—

17 (1) regulations providing a definition of the
18 term “unreasonable preference or advantage” for
19 purposes of section 202(b) of the Packers and
20 Stockyards Act, 1921 (7 U.S.C. 192(b)); and

21 (2) regulations requiring live poultry dealers to
22 provide written notice to poultry growers if the live
23 poultry dealer imposes an extended layout period in
24 excess of 30 days, prior to removal of the previous
25 flock.

1 (b) REQUIREMENTS.—Regulations promulgated pur-
2 suant to subsection (a)(1) relating to unreasonable pref-
3 erence or advantage shall strictly prohibit any preferences
4 or advantages based on the volume of business, except for
5 preferences or advantages that reflect actual, verifiable
6 lower costs (including transportation or other costs), as
7 determined by the Secretary, of procuring livestock from
8 larger-volume producers.

9 **Subtitle D—Related Programs**

10 **SEC. 10301. SENSE OF CONGRESS REGARDING**
11 **PSEUDORABIES ERADICATION PROGRAM.**

12 It is the sense of Congress that—

13 (1) the Secretary should recognize the threat
14 that feral swine pose to the domestic swine popu-
15 lation and the entire livestock industry;

16 (2) keeping the United States commercial swine
17 herd free of pseudorabies is essential to maintaining
18 and growing pork export markets;

19 (3) pseudorabies surveillance funding is nec-
20 essary to assist the swine industry in the moni-
21 toring, surveillance, and eradication of pseudorabies,
22 including the monitoring and surveillance of other
23 diseases effecting swine production and trade; and

1234

1 (4) pseudorabies eradication is a high priority
2 that the Secretary should carry out under the Ani-
3 mal Health Protection Act (7 U.S.C. 8301 et seq.).

4 **SEC. 10302. SENSE OF CONGRESS REGARDING CATTLE**
5 **FEVER TICK ERADICATION PROGRAM.**

6 It is the sense of Congress that—

7 (1) the cattle fever tick and the southern cattle
8 tick are vectors of the causal agent of babesiosis, a
9 severe and often fatal disease of cattle; and

10 (2) implementing a national strategic plan for
11 the cattle fever tick eradication program is a high
12 priority that the Secretary should carry out—

13 (A) to prevent the entry of cattle fever
14 ticks into the United States;

15 (B) to enhance and maintain an effective
16 surveillance program to rapidly detect any fever
17 tick incursions; and

18 (C) to research, identify, and procure the
19 tools and knowledge necessary to prevent and
20 eradicate cattle ticks in the United States.

21 **SEC. 10303. NATIONAL SHEEP AND GOAT INDUSTRY IM-**
22 **PROVEMENT CENTER.**

23 (a) NAME CHANGE.—Section 375 of the Consolidated
24 Farm and Rural Development Act (7 U.S.C. 2008j) is
25 amended—

1 (1) in the section heading, by inserting “**AND**
2 **GOAT**” after “**NATIONAL SHEEP**”; and

3 (2) by inserting “and Goat” after “National
4 Sheep” each place it appears.

5 (b) FUNDING.—Section 375(e)(6) of the Consoli-
6 dated Farm and Rural Development Act (7 U.S.C.
7 2008j(e)(6)) is amended by striking subparagraphs (B)
8 and (C) and inserting the following:

9 “(B) MANDATORY FUNDING.—Of the
10 funds of the Commodity Credit Corporation, the
11 Secretary shall use to carry out this section
12 \$1,000,000 for fiscal year 2008, to remain
13 available until expended.

14 “(C) AUTHORIZATION OF APPROPRIA-
15 TIONS.—There is authorized to be appropriated
16 to the Secretary to carry out this section
17 \$10,000,000 for each of fiscal years 2008
18 through 2012.”.

19 (c) REPEAL OF REQUIREMENT TO PRIVATIZE RE-
20 VOLVING FUND.—

21 (1) IN GENERAL.—Section 375 of the Consoli-
22 dated Farm and Rural Development Act (7 U.S.C.
23 2008j) is amended by striking subsection (j).

24 (2) EFFECTIVE DATE.—The amendment made
25 by paragraph (1) takes effect on May 1, 2007.

1 **SEC. 10304. TRICHINAE CERTIFICATION PROGRAM.**

2 Section 10409 of the Animal Health Protection Act
3 (7 U.S.C. 8308) is amended by adding at the end the fol-
4 lowing:

5 “(c) TRICHINAE CERTIFICATION PROGRAM.—

6 “(1) ESTABLISHMENT.—Not later than 60 days
7 after the date of enactment of this subsection, the
8 Secretary shall issue final regulations to implement
9 a trichinae certification program.

10 “(2) AUTHORIZATION OF APPROPRIATIONS.—

11 There is authorized to be appropriated to the Sec-
12 retary to carry out the program \$1,250,000 for each
13 of fiscal years 2008 through 2012.”.

14 **SEC. 10305. PROTECTION OF INFORMATION IN THE ANIMAL**
15 **IDENTIFICATION SYSTEM.**

16 The Animal Health Protection Act (7 U.S.C. 8301
17 et seq.) is amended—

18 (1) by redesignating sections 10416 through
19 10418 as sections 10417 through 10419, respec-
20 tively; and

21 (2) by inserting after section 10415 the fol-
22 lowing:

23 **“SEC. 10416. DISCLOSURE OF INFORMATION UNDER A NA-**
24 **TIONAL ANIMAL IDENTIFICATION SYSTEM.**

25 “(a) DEFINITION OF NATIONAL ANIMAL IDENTI-
26 FICATION SYSTEM.—In this section, the term ‘national

1 animal identification system’ means a system for identi-
2 fying or tracing animals that is established by the Sec-
3 retary.

4 “(b) PROTECTION FROM DISCLOSURE.—

5 “(1) IN GENERAL.—Information obtained
6 through a national animal identification system shall
7 not be disclosed except as provided in this section.

8 “(2) USE.—Use of information described in
9 paragraph (1) by any individual or entity except as
10 otherwise provided in this section shall be considered
11 a violation of this Act.

12 “(3) WAIVER OF PRIVILEGE OF PROTECTION.—

13 The provision of information to a national animal
14 identification system under this section or the disclo-
15 sure of information pursuant to this section shall not
16 constitute a waiver of any applicable privilege or
17 protection under Federal law, including protection of
18 trade secrets.

19 “(c) LIMITED RELEASE OF INFORMATION.—The
20 Secretary may disclose information obtained through a na-
21 tional animal identification system if—

22 “(1) the Secretary determines that livestock
23 may be threatened by a disease or pest;

1 “(2) the release of the information is related to
2 an action the Secretary may take under this subtitle;
3 and

4 “(3) the Secretary determines that the disclo-
5 sure of the information to a government entity or
6 person is necessary to assist the Secretary in car-
7 rying out this subtitle or a national animal identi-
8 fication system.

9 “(d) REQUIRED DISCLOSURE OF INFORMATION.—
10 The Secretary shall disclose information obtained through
11 a national animal identification system regarding par-
12 ticular animals to—

13 “(1) the person that owns or controls the ani-
14 mals, if the person requests the information in writ-
15 ing;

16 “(2) the State Department of Agriculture for
17 the purpose of protection of animal health;

18 “(3) the Attorney General for the purpose of
19 law enforcement;

20 “(4) the Secretary of Homeland Security for
21 the purpose of homeland security;

22 “(5) the Secretary of Health and Human Serv-
23 ices for the purpose of protecting public health;

24 “(6) an entity pursuant to an order of a court
25 of competent jurisdiction; and

1 “(7) the government of a foreign country if dis-
2 closure of the information is necessary to trace ani-
3 mals that pose a disease or pest threat to livestock
4 or a danger to human health, as determined by the
5 Secretary.

6 “(e) DISCLOSURE UNDER STATE OR LOCAL LAW.—
7 Any information relating to animal identification that a
8 State or local government obtains from the Secretary shall
9 not be made available by the State or local government
10 pursuant to any State or local law requiring disclosure of
11 information or records to the public.

12 “(f) REPORTING REQUIREMENT.—To disclose infor-
13 mation under this section, the Secretary shall—

14 “(1) certify that the disclosure was necessary
15 under this section; and

16 “(2) submit to the Committee on Agriculture of
17 the House of Representatives and the Committee on
18 Agriculture, Nutrition, and Forestry of the Senate a
19 copy of the certification.”.

20 **SEC. 10306. LOW PATHOGENIC AVIAN INFLUENZA.**

21 Sec. 10407(d)(2) of the Animal Health Protection
22 Act (7 U.S.C. 8306(d)(2)) is amended—

23 (1) in subparagraph (A), by striking “subpara-
24 graphs (B) and (C),” and inserting “subparagraphs
25 (B), (C), and (D),”;

1 (2) by redesignating subparagraph (C) as sub-
2 paragraph (D); and

3 (3) by inserting after subparagraph (B) the fol-
4 lowing:

5 “(C) LOW PATHOGENIC AVIAN INFLU-
6 ENZA.—

7 “(i) DEFINITION OF ELIGIBLE
8 COSTS.—In this subparagraph, the term
9 ‘eligible costs’ means costs determined eli-
10 gible for indemnity under part 56 of title
11 9, Code of Federal Regulations, as in ef-
12 fect on the date of enactment of this
13 clause.

14 “(ii) INDEMNITIES.—Subject to sub-
15 paragraphs (B) and (D), compensation to
16 any owner or contract grower of poultry
17 participating in the voluntary control pro-
18 gram for low pathogenic avian influenza
19 under the National Poultry Improvement
20 Plan, and payments to cooperating State
21 agencies, shall be made in an amount
22 equal to 100 percent of the eligible costs.”.

23 **SEC. 10307. STUDY ON BIOENERGY OPERATIONS.**

24 Not later than 180 days after the date of enactment
25 of this Act, the Secretary, acting through the Office of

1 the Chief Economist, shall submit to the Committee on
2 Agriculture of the House of Representatives and the Com-
3 mittee on Agriculture, Nutrition, and Forestry of the Sen-
4 ate a report describing the potential economic issues (in-
5 cluding potential costs) associated with animal manure
6 used in normal agricultural operations and as a feedstock
7 in bioenergy production.

8 **SEC. 10308. SENSE OF THE SENATE ON INDEMNIFICATION**
9 **OF LIVESTOCK PRODUCERS.**

10 It is the sense of the Senate that the Secretary should
11 partner with the private insurance industry to implement
12 an approach for expediting the indemnification of livestock
13 producers in the case of catastrophic disease outbreaks.

14 **TITLE XI—MISCELLANEOUS**
15 **Subtitle A—Agricultural Security**

16 **SEC. 11011. DEFINITIONS.**

17 In this subtitle:

18 (1) AGENT.—The term “agent” means a nu-
19 clear, biological, or chemical substance that causes
20 an agricultural disease.

21 (2) AGRICULTURAL BIOSECURITY.—The term
22 “agricultural biosecurity” means protection from an
23 agent that poses a threat to—

24 (A) plant or animal health;

1 (B) public health, with respect to direct ex-
2 posure to an agricultural disease; or

3 (C) the environment, with respect to agri-
4 culture facilities, farmland, air, and water in
5 the immediate vicinity of an area associated
6 with an agricultural disease or outbreak.

7 (3) AGRICULTURAL COUNTERMEASURE.—

8 (A) IN GENERAL.—The term “agricultural
9 countermeasure” means a product, practice, or
10 technology that is intended to enhance or main-
11 tain the agricultural biosecurity of the United
12 States.

13 (B) EXCLUSIONS.—The term “agricultural
14 countermeasure” does not include any product,
15 practice, or technology used solely for human
16 medical incidents or public health emergencies
17 not related to agriculture.

18 (4) AGRICULTURAL DISEASE.—The term “agri-
19 cultural disease” has the meaning given the term by
20 the Secretary.

21 (5) AGRICULTURAL DISEASE EMERGENCY.—
22 The term “agricultural disease emergency” means
23 an incident of agricultural disease in which the Sec-
24 retary, the Secretary of Homeland Security, the Sec-
25 retary of Health and Human Services, the Adminis-

1 trator of the Environmental Protection Agency (or
2 the heads of other applicable Federal departments or
3 agencies), as appropriate, determines that prompt
4 action is needed to prevent significant damage to
5 people, plants, or animals.

6 (6) AGRICULTURE.—The term “agriculture”
7 means—

8 (A) the science and practice of activities
9 relating to food, feed, fiber, and energy produc-
10 tion, processing, marketing, distribution, use,
11 and trade;

12 (B) nutrition, food science and engineer-
13 ing, and agricultural economics;

14 (C) forestry, wildlife science, fishery
15 science, aquaculture, floriculture, veterinary
16 medicine, and other related natural resource
17 sciences; and

18 (D) research and development activities re-
19 lating to plant- and animal-based products.

20 (7) AGROTERRORIST ACT.—The term
21 “agroterrorist act” means an act that—

22 (A) causes or attempts to cause—

23 (i) damage to agriculture; or

24 (ii) injury to a person associated with
25 agriculture; and

1 (B) is committed—

2 (i) to intimidate or coerce; or

3 (ii) to disrupt the agricultural indus-
4 try.

5 (8) ANIMAL.—The term “animal” means any
6 member of the animal kingdom (except a human).

7 (9) DEPARTMENT.—The term “Department”
8 means the Department of Agriculture.

9 (10) DEVELOPMENT.—The term “development”
10 means—

11 (A) research leading to the identification of
12 products or technologies intended for use as ag-
13 ricultural countermeasures;

14 (B) the formulation, production, and sub-
15 sequent modification of those products or tech-
16 nologies;

17 (C) the conduct of preclinical and clinical
18 studies;

19 (D) the conduct of field, efficacy, and safe-
20 ty studies;

21 (E) the preparation of an application for
22 marketing approval for submission to applicable
23 agencies; and

24 (F) other actions taken by an applicable
25 agency in a case in which an agricultural coun-

1 termeasure is procured or used prior to
2 issuance of a license or other form of approval.

3 (11) DIRECTOR.—The term “Director” means
4 the Director for Homeland Security of the Depart-
5 ment appointed under section 11022(d)(2).

6 (12) HSPD-5.—The term “HSPD-5” means
7 the Homeland Security Presidential Directive 5,
8 dated February 28, 2003 (relating to a comprehen-
9 sive national incident management system).

10 (13) HSPD-7.—The term “HSPD-7” means
11 the Homeland Security Presidential Directive 7,
12 dated December 17, 2003 (relating to a national pol-
13 icy for Federal departments and agencies to identify
14 and prioritize critical infrastructure and key re-
15 sources and to protect the infrastructure and re-
16 sources from terrorist attacks).

17 (14) HSPD-8.—The term “HSPD-8” means
18 the Homeland Security Presidential Directive 8,
19 dated December 17, 2003 (relating to the establish-
20 ment of a national policy to strengthen the pre-
21 paredness of the United States to prevent and re-
22 spond to domestic terrorist attacks, major disasters,
23 and other emergencies).

24 (15) HSPD-9.—The term “HSPD-9” means
25 the Homeland Security Presidential Directive 9,

1 dated January 30, 2004 (relating to the establish-
2 ment of a national policy to defend the agriculture
3 and food system against terrorist attacks, major dis-
4 asters, and other emergencies).

5 (16) HSPD-10.—The term “HSPD-10”
6 means the Homeland Security Presidential Directive
7 10, dated April 28, 2004 (relating to the establish-
8 ment of a national policy relating to the biodefense
9 of the United States).

10 (17) OFFICE.—The term “Office” means the
11 Office of Homeland Security of the Department es-
12 tablished by section 11022(d)(1).

13 (18) OTHER APPLICABLE FEDERAL DEPART-
14 MENTS OR AGENCIES.—The term “other applicable
15 Federal departments or agencies” means Federal de-
16 partments or agencies that have a role, as deter-
17 mined by the Secretary of Homeland Security, in de-
18 termining the need for prompt action against an ag-
19 ricultural disease emergency, including—

20 (A) the Executive departments identified
21 in section 101 of title 5, United States Code;

22 (B) government corporations (as defined in
23 section 103 of title 5, United States Code); and

1 (C) independent establishments (as defined
2 in section 104(1) of title 5, United States
3 Code).

4 (19) PLANT.—

5 (A) IN GENERAL.—The term “plant”
6 means any plant (including any plant part) for
7 or capable of propagation.

8 (B) INCLUSIONS.—The term “plant” in-
9 cludes—

- 10 (i) a tree;
- 11 (ii) a tissue culture;
- 12 (iii) a plantlet culture;
- 13 (iv) pollen;
- 14 (v) a shrub;
- 15 (vi) a vine;
- 16 (vii) a cutting;
- 17 (viii) a graft;
- 18 (ix) a scion;
- 19 (x) a bud;
- 20 (xi) a bulb;
- 21 (xii) a root; and
- 22 (xiii) a seed.

23 (20) QUALIFIED AGRICULTURAL COUNTER-
24 MEASURE.—The term “qualified agricultural coun-
25 termeasure” means an agricultural countermeasure

1 that the Secretary, in consultation with the Sec-
2 retary of Homeland Security, determines to be a pri-
3 ority in order to address an agricultural biosecurity
4 threat from—

5 (A) an agent placed on the Select Agents
6 and Toxins list of the Department;

7 (B) an agent placed on the Plant Protec-
8 tion and Quarantine Select Agents and Toxins
9 list of the Department; or

10 (C) an applicable agent placed on the
11 Overlap Select Agents and Toxins list of the
12 Department and the Department of Health and
13 Human Services, in accordance with—

14 (i) part 331 of title 7, Code of Fed-
15 eral Regulations; and

16 (ii) part 121 of title 9, Code of Fed-
17 eral Regulations.

18 (21) ROUTINE AGRICULTURAL DISEASE
19 EVENT.—The term “routine agricultural disease
20 event” has the meaning given the term by the Sec-
21 retary.

1 **PART I—GENERAL AUTHORITY AND**
2 **INTERAGENCY COORDINATION**

3 **SEC. 11021. POLICY.**

4 (a) EFFECT OF PART.—Nothing in this part alters
5 or otherwise impedes—

6 (1) any authority of the Department or other
7 applicable Federal departments and agencies to per-
8 form the responsibilities provided to the Department
9 or other applicable Federal departments and agen-
10 cies pursuant to Federal law; or

11 (2) the ability of the Secretary to carry out this
12 part.

13 (b) COOPERATION.—The Secretary shall cooperate
14 with the Secretary of Homeland Security with respect to
15 the responsibilities of the Secretary of Homeland Security
16 and applicable presidential guidance, including HSPD–5,
17 HSPD–7, HSPD–8, HSPD–9, and HSPD–10.

18 **SEC. 11022. INTERAGENCY COORDINATION.**

19 (a) LEADERSHIP.—The Secretary of Homeland Secu-
20 rity shall serve as the principal Federal official to lead,
21 coordinate, and integrate, to the maximum extent prac-
22 ticable, efforts by Federal departments and agencies,
23 State, local, and tribal governments, and the private sector
24 to enhance the protection of critical infrastructure and key
25 resources of the agriculture and food system.

26 (b) SECTOR-SPECIFIC AGENCY.—

1 (1) IN GENERAL.—In accordance with guidance
2 provided by the Secretary of Homeland Security
3 under subsection (a)—

4 (A) the Secretary shall serve as the sector-
5 specific lead official on efforts described in sub-
6 section (a) relating to agriculture, agricultural
7 disease, meat, poultry, and egg food products,
8 and for efforts relating to authorities pursuant
9 to the Animal Health Protection Act (7 U.S.C.
10 8301 et seq.) and the Plant Protection Act (7
11 U.S.C. 7701 et seq.); and

12 (B) the Secretary shall work in coordina-
13 tion with the Secretary of Health and Human
14 Services during any incident relating to a
15 zoonotic disease in which the applicable agent
16 originated—

17 (i) as an agricultural disease; or

18 (ii) from a plant or animal population
19 directly related to agriculture.

20 (2) EFFECT OF SUBSECTION.—Nothing in this
21 subsection impedes any authority of the Secretary of
22 Homeland Security as the principal Federal official
23 for domestic incident management pursuant to
24 HSPD-5.

25 (c) COORDINATION OF RESPONSE.—

1 (1) ROUTINE AGRICULTURAL DISEASE
2 EVENTS.—To the maximum extent practicable, the
3 Secretary shall work in consultation with the Sec-
4 retary of Homeland Security in response to any rou-
5 tine domestic incident relating to a potential or ac-
6 tual agricultural disease.

7 (2) AGRICULTURAL BIOSECURITY THREATS.—If
8 a routine domestic incident of agricultural disease is
9 determined by the Secretary or the Secretary of
10 Homeland Security to pose a significant threat to
11 the agricultural biosecurity of the United States, the
12 Secretary of Homeland Security shall serve as the
13 principal Federal official to lead and coordinate the
14 appropriate Federal response to the incident.

15 (d) OFFICE OF HOMELAND SECURITY.—

16 (1) ESTABLISHMENT.—There is established in
17 the Department the Office of Homeland Security.

18 (2) DIRECTOR.—The Secretary shall appoint as
19 the head of the Office a Director for Homeland Se-
20 curity.

21 (3) RESPONSIBILITIES.—The Director shall be
22 responsible for—

23 (A) coordinating all homeland security ac-
24 tivities of the Department, including integration
25 and coordination, in consultation with the Of-

1 fice of Emergency Management and Homeland
2 Security of the Animal and Plant Health In-
3 spection Service and the Office of Food Defense
4 and Emergency Response of the Food Safety
5 and Inspection Service, of interagency emer-
6 gency response plans for—

7 (i) agricultural disease emergencies;

8 (ii) agroterrorist acts; or

9 (iii) other threats to agricultural bio-
10 security;

11 (B) acting as the primary liaison on behalf
12 of the Department with other Federal agencies
13 on coordination efforts and interagency activi-
14 ties pertaining to agricultural biosecurity;

15 (C) advising the Secretary on policies, reg-
16 ulations, processes, budget, and actions per-
17 taining to homeland security; and

18 (D) providing to State and local govern-
19 ment officials timely updates and actionable in-
20 formation about threats, incidents, potential
21 protective measures, and best practices relevant
22 to homeland security issues in agriculture.

23 (4) AGRICULTURAL BIOSECURITY COMMUNICA-
24 TION CENTER.—

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1 (A) ESTABLISHMENT.—The Secretary
2 shall establish in the Department a central
3 communication center—

4 (i) to collect and disseminate informa-
5 tion regarding, and prepare for, agricul-
6 tural disease emergencies, agroterrorist
7 acts, and other threats to agricultural bio-
8 security; and

9 (ii) to coordinate the activities de-
10 scribed in clause (i) among agencies and
11 offices within the Department.

12 (B) RESPONSE.—Any response by the Sec-
13 retary to an agricultural threat to agricultural
14 biosecurity shall be carried out under the direc-
15 tion of the Secretary of Homeland Security, in
16 accordance with subsection (c).

17 (C) AUTHORITY OF THE SECRETARY.—In
18 establishing the central communication center
19 under subparagraph (A), the Secretary may use
20 the existing resources and infrastructure of the
21 Emergency Operations Center of the Animal
22 and Plant Health Inspection Service located in
23 Riverdale, Maryland.

1 (D) RELATION TO EXISTING DEPARTMENT
2 OF HOMELAND SECURITY COMMUNICATION SYS-
3 TEMS.—

4 (i) CONSISTENCY AND COORDINA-
5 TION.—The center established under sub-
6 paragraph (A) shall, to the maximum ex-
7 tent practicable, share and coordinate the
8 dissemination of timely information with—

9 (I) the National Operations Cen-
10 ter and the National Coordinating
11 Center of the Department of Home-
12 land Security; and

13 (II) other appropriate Federal
14 communication systems, as deter-
15 mined by the Secretary of Homeland
16 Security.

17 (ii) AVOIDING REDUNDANCIES.—
18 Nothing in this paragraph impedes, con-
19 flicts with, or duplicates any activity car-
20 ried out by—

21 (I) the National Biosurveillance
22 Integration Center of the Department
23 of Homeland Security;

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1 (II) the National Response Co-
2 ordination Center of the Department
3 of Homeland Security;

4 (III) the National Infrastructure
5 Coordination Center of the Depart-
6 ment of Homeland Security; or

7 (IV) any other communication
8 system under the authority of the Sec-
9 retary of Homeland Security.

10 (E) AUTHORIZATION OF APPROPRIA-
11 TIONS.—There are authorized to be appro-
12 priated to the Secretary such sums as are nec-
13 essary to carry out this subsection for each of
14 fiscal years 2008 through 2012.

15 **SEC. 11023. SUBMISSION OF INTEGRATED FOOD DEFENSE**
16 **PLAN.**

17 Consistent with HSPD–9, the Secretary, the Sec-
18 retary of Homeland Security, and the Secretary of Health
19 and Human Services shall submit to the President and
20 Congress an integrated plan for the defense of the food
21 system of the United States.

1 **SEC. 11024. TRANSFER OF CERTAIN AGRICULTURAL IN-**
2 **SPECTION FUNCTIONS OF DEPARTMENT.**

3 (a) DEFINITION OF FUNCTION.—In this section, the
4 term “function” does not include any quarantine activity
5 carried out under the laws specified in subsection (c).

6 (b) TRANSFER OF AGRICULTURAL IMPORT AND
7 ENTRY INSPECTION FUNCTIONS.—There shall be trans-
8 ferred to the Secretary of Homeland Security the func-
9 tions of the Secretary relating to agricultural import and
10 entry inspection activities under the laws specified in sub-
11 section (c).

12 (c) COVERED ANIMAL AND PLANT PROTECTION
13 LAWS.—The laws referred to in subsection (a) are the fol-
14 lowing:

15 (1) The eighth paragraph under the heading
16 “BUREAU OF ANIMAL INDUSTRY” in the Act of
17 March 4, 1913 (commonly known as the “Virus-
18 Serum-Toxin Act”) (21 U.S.C. 151 et seq.).

19 (2) Section 1 of the Act of August 31, 1922
20 (commonly known as the “Honeybee Act”) (7 U.S.C.
21 281).

22 (3) Title III of the Federal Seed Act (7 U.S.C.
23 1581 et seq.).

24 (4) The Plant Protection Act (7 U.S.C. 7701 et
25 seq.).

1 (5) The Animal Health Protection Act (7
2 U.S.C. 8301 et seq.).

3 (6) The Lacey Act Amendments of 1981 (16
4 U.S.C. 3371 et seq.).

5 (7) Section 11 of the Endangered Species Act
6 of 1973 (16 U.S.C. 1540).

7 (d) COORDINATION OF REGULATIONS.—

8 (1) COMPLIANCE WITH DEPARTMENT REGULA-
9 TIONS.—The authority transferred pursuant to sub-
10 section (b) shall be exercised by the Secretary of
11 Homeland Security in accordance with the regula-
12 tions, policies, and procedures issued by the Sec-
13 retary regarding the administration of the laws spec-
14 ified in subsection (c).

15 (2) RULEMAKING COORDINATION.—The Sec-
16 retary shall coordinate with the Secretary of Home-
17 land Security in any case in which the Secretary
18 prescribes regulations, policies, or procedures for ad-
19 ministering the functions transferred under sub-
20 section (b) under a law specified in subsection (c).

21 (3) EFFECTIVE ADMINISTRATION.—The Sec-
22 retary of Homeland Security, in consultation with
23 the Secretary, may issue such directives and guide-
24 lines as are necessary to ensure the effective use of
25 personnel of the Department of Homeland Security

1 to carry out the functions transferred pursuant to
2 subsection (b).

3 (e) TRANSFER AGREEMENT.—

4 (1) AGREEMENT.—

5 (A) IN GENERAL.—Before the end of the
6 transition period (as defined in section 1501 of
7 the Homeland Security Act of 2002 (6 U.S.C.
8 541)), the Secretary and the Secretary of
9 Homeland Security shall enter into an agree-
10 ment to effectuate the transfer of functions re-
11 quired by subsection (b).

12 (B) REVISION.—The Secretary and the
13 Secretary of Homeland Security may jointly re-
14 vise the agreement as necessary after that tran-
15 sition period.

16 (2) REQUIRED TERMS.—The agreement re-
17 quired by this subsection shall specifically address
18 the following:

19 (A) The supervision by the Secretary of
20 the training of employees of the Secretary of
21 Homeland Security to carry out the functions
22 transferred pursuant to subsection (b).

23 (B) The transfer of funds to the Secretary
24 of Homeland Security under subsection (f).

1 (3) COOPERATION AND RECIPROCITY.—The
2 Secretary and the Secretary of Homeland Security
3 may include as part of the agreement the following:

4 (A) Authority for the Secretary of Home-
5 land Security to perform functions delegated to
6 the Animal and Plant Health Inspection Service
7 of the Department regarding the protection of
8 domestic livestock and plants, but not trans-
9 ferred to the Secretary of Homeland Security
10 pursuant to subsection (b).

11 (B) Authority for the Secretary to use em-
12 ployees of the Department of Homeland Secu-
13 rity to carry out authorities delegated to the
14 Animal and Plant Health Inspection Service re-
15 garding the protection of domestic livestock and
16 plants.

17 (f) PERIODIC TRANSFER OF FUNDS TO DEPART-
18 MENT OF HOMELAND SECURITY.—

19 (1) TRANSFER OF FUNDS.—Out of funds col-
20 lected by fees authorized under sections 2508 and
21 2509 of the Food, Agriculture, Conservation, and
22 Trade Act of 1990 (21 U.S.C. 136, 136a), the Sec-
23 retary shall transfer, from time to time in accord-
24 ance with the agreement under subsection (e), to the
25 Secretary of Homeland Security funds for activities

1 carried out by the Secretary of Homeland Security
2 for which the fees were collected.

3 (2) LIMITATION.—The proportion of fees col-
4 lected pursuant to those sections that are trans-
5 ferred to the Secretary of Homeland Security under
6 this subsection may not exceed the proportion of the
7 costs incurred by the Secretary of Homeland Secu-
8 rity to all costs incurred to carry out activities fund-
9 ed by the fees.

10 (g) TRANSFER OF DEPARTMENT EMPLOYEES.—Not
11 later than the completion of the transition period (as de-
12 fined in section 1501 of the Homeland Security Act of
13 2002 (6 U.S.C. 541)), the Secretary shall transfer to the
14 Secretary of Homeland Security not more than 3,200 full-
15 time equivalent positions of the Department.

16 (h) EFFECT OF TRANSFER.—

17 (1) EXISTING AUTHORITY.—Nothing in the
18 transfer of functions under subsection (b) preempts
19 any authority of the Department as described in sec-
20 tion 11022(b)(1).

21 (2) LIMITATION ON TRANSFER.—

22 (A) IMPORTS.—The Secretary shall retain
23 responsibility for all other activities of the Agri-
24 cultural Quarantine and Inspection Program re-

1 garding imports, including activities relating
2 to—

- 3 (i) preclearance of commodities;
4 (ii) trade protocol verification;
5 (iii) fumigation;
6 (iv) quarantine;
7 (v) diagnosis;
8 (vi) eradication;
9 (vii) indemnification; and
10 (viii) other sanitary and phytosanitary
11 measures carried out pursuant to the Ani-
12 mal Health Protection Act (7 U.S.C. 8301
13 et seq.) and the Plant Protection Act (7
14 U.S.C. 7701 et seq.).

15 (B) EXPORT, INTERSTATE, AND INTRA-
16 STATE ACTIVITIES.—The Department shall re-
17 tain responsibility for all functions regarding
18 export, interstate, and intrastate activities.

19 (C) TRAINING.—The Department shall re-
20 tain responsibility for all agricultural inspection
21 training.

22 (i) CONFORMING AMENDMENT.—Section 421 of the
23 Homeland Security Act of 2002 (6 U.S.C. 231) is amend-
24 ed by striking “**SEC. 421**” and all that follows through

1 “(h) PROTECTION OF INSPECTION ANIMALS.—Title V”

2 and inserting the following:

3 **“SEC. 421. PROTECTION OF INSPECTION ANIMALS.**

4 **“Title V”.**

5 **PART II—AGRICULTURAL QUARANTINE**

6 **INSPECTION PROGRAM IMPROVEMENT**

7 **SEC. 11031. DEFINITIONS.**

8 In this part:

9 (1) PROGRAM.—The term “program” means
10 the agricultural quarantine inspection program.

11 (2) SECRETARY.—The term “Secretary” means
12 the Secretary of Agriculture, acting through the Ad-
13 ministrator of the Animal and Plant Health Inspec-
14 tion Service.

15 **SEC. 11032. JOINT TASK FORCE.**

16 (a) ESTABLISHMENT.—Not later than 30 days after
17 the date of enactment of this Act, the Secretary and the
18 Secretary of Homeland Security shall establish a Joint
19 Task Force to provide coordinated central planning for the
20 program.

21 (b) COMPOSITION.—The Joint Task Force shall be
22 composed of employees of the Animal and Plant Health
23 Inspection Service and Customs and Border Protection of
24 the Department of Homeland Security, appointed by the

1 Secretary and the Secretary of Homeland Security, respec-
2 tively.

3 (c) DUTIES.—The Joint Task Force shall—

4 (1) prepare, and not less than biannually revise
5 as necessary, a strategic plan for the program;

6 (2) establish performance measures that accu-
7 rately gauge the success of the program;

8 (3) establish annual operating goals and plans
9 for the program at national, regional, and port lev-
10 els;

11 (4) establish and regularly revise as necessary
12 a training program to ensure that all employees of
13 Customs and Border Protection involved in agricul-
14 tural inspection and quarantine activities have the
15 skills, knowledge, and abilities necessary to protect
16 the agricultural biosecurity of the United States;

17 (5) ensure effective and regular communications
18 with all stakeholders under the program;

19 (6) maintain effective and regular communica-
20 tion between the Animal and Plant Health Inspec-
21 tion Service and Customs and Border Protection in
22 carrying out the program;

23 (7) establish and carry out mechanisms to col-
24 lect data to inform program planning and decision-
25 making under the program;

1 (8) ensure access for employees of the Animal
2 and Plant Health Inspection Service who, as deter-
3 mined by the Secretary, in consultation with the
4 Secretary of Homeland Security—

5 (A) have met all applicable Customs and
6 Border Protection security-related require-
7 ments; and

8 (B) to adequately perform the duties of the
9 employees, require access to—

10 (i) each secure area of any terminal
11 for screening passengers or cargo; and

12 (ii) each database relating to cargo
13 manifests or any databases that may relate
14 to the program;

15 (9) ensure the ability of the program to operate
16 in case of emergencies; and

17 (10) establish a quality assurance program for
18 the program, with performance standards and reg-
19 ular reviews of each port of entry to determine com-
20 pliance with the quality standards.

21 **SEC. 11033. ADVISORY BOARD.**

22 (a) ESTABLISHMENT.—Not later than 180 days after
23 the date of enactment of this Act, the Secretary and the
24 Secretary of Homeland Security shall establish a board to
25 be known as the “Agricultural Quarantine Inspection Pro-

1 gram Advisory Board” (referred to in this section as the
2 “Advisory Board”).

3 (b) MEMBERSHIP.—

4 (1) IN GENERAL.—The Advisory Board shall
5 consist of 11 members representing the Federal Gov-
6 ernment, State governments, and stakeholders, in-
7 cluding—

8 (A) 2 members representing the Depart-
9 ment, appointed by the Secretary, who shall
10 serve as cochairperson of the Advisory Board;

11 (B) 1 member representing the Depart-
12 ment of Homeland Security, appointed by the
13 Secretary of Homeland Security, who shall
14 serve as cochairperson of the Advisory Board;

15 (C) 1 member representing Customs and
16 Border Protection agriculture specialists, ap-
17 pointed by the Secretary of Homeland Security,
18 who shall serve as cochairperson of the Advisory
19 Board;

20 (D) 1 member representing the National
21 Plant Board, appointed by the Secretary based
22 on nominations submitted by the Board;

23 (E) 1 member representing the United
24 States Animal Health Association, appointed by

1 the Secretary based on 1 or more nominations
2 submitted by the Association;

3 (F) 1 member representing the National
4 Association of State Departments of Agri-
5 culture, appointed by the Secretary based on 1
6 or more nominations submitted by the Associa-
7 tion;

8 (G) 2 members representing stakeholders
9 of organizations, associations, societies, coun-
10 cils, federations, groups, and companies, ap-
11 pointed by the Secretary from 2 or more nomi-
12 nations submitted by the stakeholders; and

13 (H) 2 members representing stakeholders
14 of organizations, associations, societies, coun-
15 cils, federations, groups, and companies, ap-
16 pointed by the Secretary of Homeland Security
17 from 2 or more nominations submitted by the
18 stakeholders.

19 (2) TERMS OF SERVICE.—The term of a mem-
20 ber of the Advisory Board shall be 2 years, except
21 that, of the members initially appointed to the
22 Board, the term of $\frac{1}{2}$ of the members (as deter-
23 mined jointly by the Secretary and the Secretary of
24 Homeland Security) shall be 1 year.

25 (c) DUTIES.—The Advisory Board shall—

1 (1) advise the Secretary and the Secretary of
2 Homeland Security—

3 (A) on policies and other issues related to
4 the mission of the program; and

5 (B) on appropriate mechanisms to ensure
6 that interested stakeholders in the agriculture
7 industry, State and local governments, and the
8 general public have formal opportunities to pro-
9 vide comments on the program; and

10 (2) in the case of the cochairpersons of the Ad-
11 visory Board—

12 (A) coordinate the advice and concerns of
13 the members of the Advisory Board; and

14 (B) at least twice a year, submit the views
15 of the Advisory Board to the Secretary and the
16 Secretary of Homeland Security.

17 (d) MEETINGS.—The meetings of the Advisory Board
18 shall take place at least twice a year, with the option of
19 conducting the meetings in Washington, District of Co-
20 lumbia, and a Customs and Border Protection port on an
21 alternating basis.

22 **SEC. 11034. REPORTS TO CONGRESS.**

23 (a) IN GENERAL.—Not later than 180 days after the
24 date of enactment of this Act, and annually thereafter
25 through September 30, 2012, the Administrator of the

1 Animal and Plant Health Inspection Service and the Com-
2 missioner of Customs and Border Protection, shall jointly
3 submit to the committees described in subsection (b) a re-
4 port on—

5 (1) the resource needs for import and entry ag-
6 ricultural inspections, including the number of in-
7 spectors required;

8 (2) the adequacy of inspection and monitoring
9 procedures and facilities in the United States;

10 (3) new and emerging technologies and prac-
11 tices, including recommendations regarding the tech-
12 nologies and practices, to improve import and entry
13 agricultural inspections; and

14 (4) questions or concerns raised by the Joint
15 Task Force established under section 11032 and by
16 the Agricultural Quarantine Inspection Program Ad-
17 visory Board established under section 11033.

18 (b) COMMITTEES.—The Secretary and the Secretary
19 of Homeland Security shall jointly submit the report re-
20 quired under subsection (a) to—

21 (1) the Committee on Agriculture, Nutrition,
22 and Forestry of the Senate;

23 (2) the Committee on Agriculture of the House
24 of Representatives;

1 (3) the Committee on Homeland Security and
2 Governmental Affairs of the Senate; and

3 (4) the Committee on Homeland Security of the
4 House of Representatives.

5 (c) SATISFACTION OF REQUIREMENT.—The Admin-
6 istrator of the Animal and Plant Health Inspection Service
7 and the Commissioner of Customs and Border Protection
8 may satisfy the reporting requirement described in sub-
9 section (a) by submitting to the Committee on Agriculture
10 of the House of Representatives and the Committee on
11 Agriculture, Nutrition, and Forestry of the Senate a copy
12 of each relevant provision relating to appropriations or au-
13 thorization requests for the applicable fiscal year.

14 **SEC. 11035. PORT RISK COMMITTEES.**

15 (a) IN GENERAL.—Not later than 1 year after the
16 date of enactment of this Act, the Secretary and the Sec-
17 retary of Homeland Security shall jointly create Port Risk
18 Committees to service the agriculture mission for each
19 port of entry into the United States that the Secretary
20 of Homeland Security, in consultation with the Secretary,
21 determines to be appropriate.

22 (b) MEMBERSHIP.—Each Committee may include
23 representatives from—

24 (1) the Animal and Plant Health Inspection
25 Service, appointed by the Secretary;

1 (2) Customs and Border Protection, appointed
2 by the Secretary of Homeland Security;

3 (3) the Department of Health and Human
4 Services, appointed by the Secretary of Health and
5 Human Services;

6 (4) State and local governments, appointed
7 jointly by the Secretary, the Secretary of Homeland
8 Security, and the Secretary of Health and Human
9 Services; and

10 (5) other stakeholders, appointed jointly by the
11 Secretary, the Secretary of Homeland Security, and
12 the Secretary of Health and Human Services, who
13 shall—

14 (A) act as nonvoting members of the Com-
15 mittee; and

16 (B) only observe and provide information
17 and comments with respect to activities of the
18 Committee.

19 (c) DUTIES.—Each Committee shall examine issues
20 affecting the local port of entry of the Committee to deter-
21 mine actions necessary to mitigate risks of threats to the
22 agricultural biosecurity of the United States.

23 (d) REPORT.—The Committees shall report regularly
24 to regional-level officials of the Animal and Plant Health

1 Inspection Service and to field office officials of Customs
2 and Border Protection.

3 **SEC. 11036. EMERGENCY RESPONSE PLANNING AT PORTS**
4 **OF ENTRY.**

5 (a) IN GENERAL.—Not later than 1 year after the
6 date of enactment of this Act, the Secretary and the Sec-
7 retary of Homeland Security shall develop a comprehen-
8 sive plan to identify and deploy trained and certified per-
9 sonnel in emergency response activities.

10 (b) PLAN.—The plan shall include a strategy for
11 rapid identification and deployment of resources and a
12 standard operating procedure to implement when signifi-
13 cant agricultural pests and diseases are detected at ports
14 of entry.

15 (c) CONTINUITY OF OPERATIONS PLANS.—The Sec-
16 retary and the Secretary of Homeland Security, acting
17 through Customs and Border Protection, shall coordinate
18 and share national continuity of operations plans and
19 plans for ports of entry.

20 **SEC. 11037. PLANT PEST IDENTIFICATION JOINT PLAN.**

21 (a) IN GENERAL.—Not later than 1 year after the
22 date of enactment of this Act, the Secretary and the Sec-
23 retary of Homeland Security shall prepare a joint plan to
24 establish standards of service for—

25 (1) plant pest and disease identification;

1 (2) inspection techniques training; and

2 (3) discard authority.

3 (b) CONTENTS.—The plan shall—

4 (1) formalize plant pest and disease identifica-
5 tion and inspection training of Customs and Border
6 Protection agriculture specialists for all pathways,
7 including conveyances, passengers, cargo, mail, and
8 rail; and

9 (2) establish performance-related criteria for
10 the appropriate Department of Homeland Security
11 personnel to enable enhanced discard authority and
12 improve plant pest and disease interception.

13 **SEC. 11038. LIAISON OFFICER POSITIONS.**

14 (a) CUSTOMS AND BORDER PROTECTION.—

15 (1) IN GENERAL.—The Secretary shall establish
16 a program liaison officer position who is physically
17 located in the same building as the highest ranking
18 Customs and Border Protection official with primary
19 responsibility for the agricultural inspection func-
20 tions of Customs and Border Protection.

21 (2) EMPLOYEE.—The liaison officer shall be an
22 employee of the Animal and Plant Health Inspection
23 Service.

1 (3) SPACE AND STAFF.—Customs and Border
2 Protection shall provide appropriate space for the li-
3 aision officer and commensurate support staff.

4 (4) EXPENSES.—The Secretary shall bear all
5 costs for salary, benefits, and other expenses of the
6 liaison officer.

7 (b) ANIMAL AND PLANT HEALTH INSPECTION SERV-
8 ICE.—

9 (1) IN GENERAL.—The Secretary, acting
10 through Customs and Border Protection, shall estab-
11 lish a program liaison officer position who is phys-
12 ically located in the same building as the highest
13 ranking Animal and Plant Health Inspection Service
14 official with primary responsibility for the agricul-
15 tural inspection functions of the Service.

16 (2) EMPLOYEE.—The liaison officer shall be an
17 employee of Customs and Border Protection.

18 (3) SPACE AND STAFF.—The Animal and Plant
19 Health Inspection Service shall provide appropriate
20 space for the liaison officer and commensurate sup-
21 port staff.

22 (4) EXPENSES.—Customs and Border Protec-
23 tion shall bear all costs for salary, benefits, and
24 other expenses of the liaison officer.

1 (c) COMMUNICATIONS.—The liaison officers shall en-
2 sure daily communication between designated officials of
3 the Animal and Plant Health Inspection Service and Cus-
4 toms and Border Protection.

5 **PART III—MISCELLANEOUS**

6 **SEC. 11041. DESIGNATION AND EXPEDITED REVIEW AND**
7 **APPROVAL OF QUALIFIED AGRICULTURAL**
8 **COUNTERMEASURES.**

9 (a) DESIGNATION OF CERTAIN AGRICULTURAL
10 COUNTERMEASURES.—The Secretary and the Secretary of
11 Homeland Security, in coordination with the Secretary of
12 Health and Human Services, the Administrator of the En-
13 vironmental Protection Agency, and the heads of other ap-
14 plicable Federal departments or agencies, and in consulta-
15 tion with the Director of the Office of Science and Tech-
16 nology Policy in the Executive Office of the President,
17 shall designate a list of qualified agricultural counter-
18 measures to protect against the intentional introduction
19 or natural occurrence of agricultural disease emergencies.

20 (b) EXPEDITED REVIEW AND APPROVAL OF QUALI-
21 FIED COUNTERMEASURES.—A qualified agricultural coun-
22 termeasure designated under subsection (a) shall be—

- 23 (1) granted expedited review for approval; and
24 (2) if the qualified agricultural countermeasure
25 meets the requirements for approval under that ex-

1 pedited review process, promptly approved by the ap-
2 propriate Federal department or agency for use or
3 further testing.

4 (c) **DELISTING OF AGRICULTURE COUNTER-**
5 **MEASURES.**—The Secretary and the Secretary of Home-
6 land Security, in coordination with the Secretary of Health
7 and Human Services, the Administrator of the Environ-
8 mental Protection Agency, and the heads of other applica-
9 ble Federal departments or agencies, and in consultation
10 with the Director of the Office of Science and Technology
11 Policy in the Executive Office of the President, may delist
12 qualified agricultural countermeasures that are no longer
13 effective in maintaining or enhancing the agricultural bio-
14 security of the United States.

15 **SEC. 11042. AGRICULTURAL DISEASE EMERGENCY DETEC-**
16 **TION AND RESPONSE.**

17 (a) **EMERGENCY DETERMINATION.**—

18 (1) **IN GENERAL.**—The Secretary of Homeland
19 Security, in consultation with the Secretary and the
20 Secretary of Health and Human Services, shall—

21 (A) assess potential vulnerabilities to the
22 agricultural biosecurity of the United States;
23 and

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1 (B) determine the incidence or outbreak of
2 which agricultural diseases would constitute an
3 emergency—

4 (i) to identify respective interagency
5 priorities; and

6 (ii) to assist the Department of
7 Homeland Security to establish biological
8 threat awareness capacities pursuant to
9 HSPD–9 and HSPD–10.

10 (2) NOTIFICATION BY OTHER FEDERAL ENTI-
11 TIES.—On a determination by the Secretary of
12 Homeland Security under paragraph (1)(B), each
13 Federal department and agency shall notify the Sec-
14 retary of Homeland Security, the Secretary, and the
15 Secretary of Health and Human Services of specific
16 emergency procedures to be deployed in the event of
17 an outbreak of an agricultural disease, including—

18 (A) any regulations promulgated to ad-
19 dress the outbreak; and

20 (B) a timetable for implementation of the
21 regulations.

22 (3) INFORMATION SHARING.—The Secretary of
23 Homeland Security may make notifications under
24 paragraph (2) available to the Secretary, in order
25 for the Secretary to meet the incident management

1 activities and goals set forth in the Food and Agri-
2 culture Incident Annex of the National Response
3 Plan.

4 (4) STATE AND LOCAL COORDINATION.—On re-
5 ceipt by the Secretary of Homeland Security of noti-
6 fication of special emergency procedures required by
7 other Federal departments or agencies, the Sec-
8 retary of Homeland Security, in consultation with
9 the Secretary and the Secretary of Health and
10 Human Services, shall—

11 (A) notify State, local, and tribal govern-
12 ments, as appropriate, of the emergency proce-
13 dures; and

14 (B) institute test exercises to determine
15 the effectiveness of the emergency procedures in
16 geographical areas of significance, as deter-
17 mined by the Secretary of Homeland Security,
18 in consultation with Secretary.

19 (b) DISEASE DETECTION.—The Secretary and the
20 Secretary of Homeland Security shall—

21 (1) develop and deploy an advanced surveillance
22 system to detect entry into the United States of ag-
23 ricultural biological threat agents that are likely to
24 cause an agricultural disease emergency;

1 (2) develop national and international stand-
2 ards and implementation guidelines to be used in
3 monitoring those agricultural biological threat
4 agents;

5 (3) enhance animal and plant health laboratory
6 networks in existence as of the date of enactment of
7 this Act to increase the diagnostic capability for de-
8 tecting those biological threat agents; and

9 (4) integrate the data and information obtained
10 through the activities carried out under paragraphs
11 (1) through (3) with the National Biosurveillance
12 Integration Center of the Department of Homeland
13 Security.

14 (c) ONSITE RAPID DIAGNOSTIC TOOLS.—

15 (1) DEVELOPMENT.—The Secretary, in con-
16 sultation with the Secretary of Homeland Security
17 and the Secretary of Health and Human Services,
18 shall develop onsite rapid diagnostic tools to enable
19 rapid diagnosis of incidents of agricultural diseases
20 that would constitute an agricultural disease emer-
21 gency at the site of the incident or outbreak.

22 (2) VALIDATION TESTING OF TOOLS.—In devel-
23 oping on-site rapid diagnostic tools under paragraph
24 (1), the Secretary, in consultation with the Secretary
25 of Homeland Security and the Secretary of Health

1 and Human Services, shall conduct validation test-
2 ing to ensure that each tool—

3 (A) identifies the agent for which the tool
4 was developed; and

5 (B) will function properly if administered
6 in the field by persons with varying levels of ex-
7 pertise in diagnostic testing, zoonotic disease
8 surveillance, or agricultural disease emer-
9 gencies.

10 (d) EMERGENCY RESPONSE.—

11 (1) IN GENERAL.—The Secretary shall work
12 with State agriculture departments to ensure a co-
13 ordinated response with State and local agencies re-
14 sponsible for early agricultural disease detection and
15 control.

16 (2) EVALUATION.—Not later than 180 days
17 after the date of enactment of this Act, the Sec-
18 retary shall prepare and submit to the appropriate
19 committees of Congress an evaluation of the current
20 staff, budgets, and capabilities of regional coordina-
21 tors of the Animal and Plant Health Inspection
22 Service to identify areas of potential vulnerability or
23 additional resource needs for emergency response ca-
24 pabilities in specific geographical areas.

25 (e) BEST PRACTICES.—

1 (1) AGRICULTURAL BIOSECURITY TASK
2 FORCE.—The Secretary shall establish in the De-
3 partment an agricultural biosecurity task force to
4 identify best practices for use in carrying out a
5 State or regional agricultural biosecurity program.

6 (2) INFORMATION AVAILABLE.—The Secretary,
7 in coordination with the Secretary of Homeland Se-
8 curity, shall make available information regarding
9 best practices for use in implementing a State or re-
10 regional agricultural biosecurity program, including
11 training exercises for emergency response providers
12 and animal and plant disease specialists.

13 (f) FOREIGN ANIMAL DISEASE AS PREREQUISITE
14 FOR VETERINARIAN ACCREDITATION.—The Secretary
15 shall require candidates for veterinarian accreditation
16 from the Department to receive training in foreign animal
17 disease detection and response.

18 **SEC. 11043. NATIONAL PLANT DISEASE RECOVERY SYSTEM**

19 **AND NATIONAL VETERINARY STOCKPILE.**

20 (a) NATIONAL PLANT DISEASE RECOVERY SYS-
21 TEM.—

22 (1) ESTABLISHMENT.—The Secretary, in co-
23 ordination with the Secretary of Homeland Security,
24 and in consultation with the Secretary of Health and
25 Human Services and the Administrator of the Envi-

1 ronmental Protection Agency, shall work with State
2 and local governments and the private sector to es-
3 tablish a national plant disease recovery system to
4 be used to respond to an outbreak of plant disease
5 that poses a significant threat to agricultural bio-
6 security.

7 (2) REQUIREMENTS.—The national plant dis-
8 ease recovery system shall include agricultural coun-
9 termeasures to be made available within a single
10 growing season for crops of particular economic sig-
11 nificance, as determined by the Secretary, in coordi-
12 nation with the Secretary of Homeland Security.

13 (b) NATIONAL VETERINARY STOCKPILE.—The Sec-
14 retary, in coordination with the Secretary of Homeland
15 Security, and in consultation with the Secretary of Health
16 and Human Services and the Administrator of the Envi-
17 ronmental Protection Agency, shall work with State and
18 local governments and the private sector to establish a na-
19 tional veterinary stockpile, which shall be used by the Sec-
20 retary, in coordination with the Secretary of Homeland
21 Security—

22 (1) to make agricultural countermeasures avail-
23 able to any State veterinarian not later than 24
24 hours after submission of an official request for as-
25 sistance by the State veterinarian, unless the Sec-

1 retary and the Secretary of Homeland Security can-
2 not accommodate such a request due to an emer-
3 gency; and

4 (2) to leverage, where appropriate, the mecha-
5 nisms and infrastructure of the Strategic National
6 Stockpile.

7 **SEC. 11044. RESEARCH AND DEVELOPMENT OF AGRICUL-**
8 **TURAL COUNTERMEASURES.**

9 (a) GRANT PROGRAM.—

10 (1) IN GENERAL.—The Secretary shall establish
11 a grant program to stimulate basic and applied re-
12 search and development activity for qualified agricul-
13 tural countermeasures.

14 (2) COMPETITIVE GRANTS.—In carrying out
15 this section, the Secretary shall develop a process
16 through which to award grants on a competitive
17 basis.

18 (3) WAIVER IN EMERGENCIES.—The Secretary
19 may waive the requirement in paragraph (2), if—

20 (A) the Secretary has declared a plant or
21 animal disease emergency under the Plant Pro-
22 tection Act (7 U.S.C. 7701 et seq.) or the Ani-
23 mal Health Protection Act (7 U.S.C. 8301 et
24 seq.); and

1 (B) the waiver would lead to the rapid de-
2 velopment of a qualified agricultural counter-
3 measure, as determined by the Secretary.

4 (b) USE OF FOREIGN DISEASE PERMISSIBLE.—The
5 Secretary shall permit the use of foreign animal and plant
6 disease agents, and accompanying data, in research and
7 development activities funded under this section if the Sec-
8 retary determines that the diseases or data are necessary
9 to demonstrate the safety and efficacy of an agricultural
10 countermeasure in development.

11 (c) COORDINATION ON ADVANCED DEVELOPMENT.—
12 The Secretary shall ensure that the Secretary of Home-
13 land Security is provided information, on a quarterly
14 basis, describing each grant provided by the Secretary for
15 the purpose of facilitating the acceleration and expansion
16 of the advanced development of agricultural counter-
17 measures.

18 (d) SCOPE.—Nothing in this section impedes the abil-
19 ity of the Secretary of Homeland Security to administer
20 grants for basic and applied research and advanced devel-
21 opment activities for qualified agricultural counter-
22 measures.

23 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
24 authorized to be appropriated to carry out this section
25 \$50,000,000 for each of fiscal years 2008 through 2012.

1 **SEC. 11045. VETERINARY WORKFORCE GRANT PROGRAM.**

2 (a) IN GENERAL.—The Secretary shall establish a
3 grant program to increase the number of veterinarians
4 trained in agricultural biosecurity.

5 (b) CONSIDERATIONS FOR FUNDING AWARDED.—
6 The Secretary shall establish procedures to ensure that
7 grants are competitively awarded under the program
8 based on—

9 (1) the ability of an applicant to increase the
10 number of veterinarians who are trained in agricul-
11 tural biosecurity practice areas determined by the
12 Secretary;

13 (2) the ability of an applicant to increase re-
14 search capacity in areas of agricultural biosecurity
15 determined by the Secretary to be a priority; or

16 (3) any other consideration the Secretary deter-
17 mines to be appropriate.

18 (c) USE OF FUNDS.—Amounts received under this
19 section may be used by a grantee to pay—

20 (1) costs associated with construction and the
21 acquisition of equipment, and other capital costs re-
22 lating to the expansion of schools of veterinary medi-
23 cine, departments of comparative medicine, depart-
24 ments of veterinary science, or entities offering resi-
25 dency training programs; or

1 (2) capital costs associated with the expansion
2 of academic programs that offer postgraduate train-
3 ing for veterinarians or concurrent training for vet-
4 erinary students in specific areas of specialization.

5 (d) AUTHORIZATION OF APPROPRIATIONS.—There
6 are authorized to be appropriated to the Secretary such
7 sums as are necessary to carry out this section for each
8 of fiscal years 2008 through 2012.

9 **SEC. 11046. ASSISTANCE TO BUILD LOCAL CAPACITY IN AG-**
10 **RICULTURAL BIOSECURITY PLANNING, PRE-**
11 **PAREDNESS, AND RESPONSE.**

12 (a) ADVANCED TRAINING PROGRAMS.—

13 (1) GRANT ASSISTANCE.—The Secretary shall
14 provide grant assistance to support the development
15 and expansion of advanced training programs in ag-
16 ricultural biosecurity planning and response for food
17 science professionals and veterinarians.

18 (2) AUTHORIZATION OF APPROPRIATIONS.—
19 There are authorized to be appropriated to the Sec-
20 retary such sums as are necessary to carry out this
21 subsection for each of fiscal years 2008 through
22 2012.

23 (b) ASSESSMENT OF RESPONSE CAPABILITY.—

24 (1) GRANT AND LOAN ASSISTANCE.—The Sec-
25 retary shall provide grant and low-interest loan as-

1 sistance to States for use in assessing agricultural
2 disease response capability.

3 (2) AUTHORIZATION OF APPROPRIATIONS.—

4 There is authorized to be appropriated to carry out
5 this subsection \$25,000,000 for each of fiscal years
6 2008 through 2012.

7 **SEC. 11047. BORDER INSPECTIONS OF AGRICULTURAL**
8 **PRODUCTS.**

9 (a) INSPECTION.—

10 (1) IN GENERAL.—The Secretary of Homeland
11 Security, in consultation with the Secretary and the
12 Secretary of Health and Human Services, shall co-
13 ordinate with Federal intelligence officials to identify
14 agricultural products that are imported from coun-
15 tries that have known capabilities to carry out an
16 agroterrorist act.

17 (2) PRIORITY.—

18 (A) IN GENERAL.—Agricultural products
19 imported from countries described in paragraph
20 (1) shall be given priority status in the inspec-
21 tion process.

22 (B) EFFECT OF THREATS.—If a credible
23 and specific threat of an intended agroterrorist
24 act is identified by Federal intelligence officials,
25 each border inspection of a product that could

1 be a pathway for the agroterrorist act shall be
2 intensified.

3 (b) COORDINATION IN BORDER INSPECTION.—In
4 conducting inspections of agricultural products at the bor-
5 der, the Secretary, the Secretary of Homeland Security,
6 and the Secretary of Health and Human Services shall
7 use a compatible communication system in order to better
8 coordinate the inspection process.

9 **SEC. 11048. LIVE VIRUS OF FOOT AND MOUTH DISEASE RE-**
10 **SEARCH.**

11 (a) IN GENERAL.—The Secretary shall issue a permit
12 required under section 12 of the Act of May 29, 1884 (21
13 U.S.C. 113a) to the Secretary of Homeland Security for
14 work on the live virus of foot and mouth disease at the
15 National Bio and Agro-Defense Laboratory (referred to
16 in this section as the “NBAF”).

17 (b) LIMITATION.—The permit shall be valid unless
18 the Secretary finds that the study of live foot and mouth
19 disease virus at the NBAF is not being carried out in ac-
20 cordance with the regulations issued by the Secretary pur-
21 suant to the Agricultural Bioterrorism Protection Act of
22 2002 (7 U.S.C. 8401 et seq.).

23 (c) AUTHORITY.—The suspension, revocation, or
24 other impairment of the permit issued under this sec-
25 tion—

1 (1) shall be made by the Secretary; and

2 (2) is a nondelegable function.

3 **Subtitle B—Other Programs**

4 **SEC. 11051. FORECLOSURE.**

5 (a) IN GENERAL.—Section 307 of the Consolidated
6 Farm and Rural Development Act (7 U.S.C. 1927) is
7 amended by adding at the end the following:

8 “(f) MORATORIUM.—

9 “(1) IN GENERAL.—Effective beginning on the
10 date of enactment of this subsection, there shall be
11 in effect a moratorium on all loan acceleration and
12 foreclosure proceedings instituted by the Department
13 for any case in which—

14 “(A) there is pending against the Depart-
15 ment a claim of discrimination by a farmer or
16 rancher related to a loan acceleration or fore-
17 closure; or

18 “(B) a farmer or rancher files a claim of
19 discrimination against the Department related
20 to a loan acceleration or foreclosure.

21 “(2) WAIVER OF INTEREST AND OFFSETS.—
22 During the period of the moratorium, the Secretary
23 shall waive the accrual of interest and offsets on all
24 loans made under this subtitle for which loan accel-

1 eration or foreclosure proceedings have been insti-
2 tuted as described in paragraph (1).

3 “(3) TERMINATION OF MORATORIUM.—The
4 moratorium shall terminate with respect to a claim
5 of discrimination by a farmer or rancher on the ear-
6 lier of—

7 “(A) the date the Secretary resolves the
8 claim; or

9 “(B) if the farmer or rancher appeals the
10 decision of the Secretary on the claim to a
11 court of competent jurisdiction, the date that
12 the court renders a final decision on the claim.

13 “(4) FAILURE TO PREVAIL.—If a farmer or
14 rancher does not prevail on a claim of discrimination
15 described in paragraph (1), the farmer or rancher
16 shall be liable for any interest and offsets that ac-
17 crued during the period that the loan was in abey-
18 ance.”.

19 (b) FORECLOSURE REPORT.—

20 (1) IN GENERAL.—Not later than 1 year after
21 the date of enactment of this Act, the Inspector
22 General of the Department of Agriculture (referred
23 to in this subsection as the “Inspector General”)
24 shall determine whether decisions of the Department
25 to implement foreclosure proceedings with respect to

1 loans made under subtitle A of the Consolidated
2 Farm and Rural Development Act (7 U.S.C. 1922
3 et seq.) to socially disadvantaged farmers or ranch-
4 ers during the 5-year period preceding the date of
5 enactment of this Act were consistent and in con-
6 formity with the applicable laws (including regula-
7 tions) governing loan foreclosures.

8 (2) REPORT.—Not later than 1 year after the
9 date of enactment of this Act, the Inspector General
10 shall submit to the Committee on Agriculture of the
11 House of Representatives and the Committee on Ag-
12 riculture, Nutrition, and Forestry of the Senate a
13 report that describes the determination of the In-
14 spector General under paragraph (1).

15 **SEC. 11052. OUTREACH AND TECHNICAL ASSISTANCE FOR**
16 **SOCIALLY DISADVANTAGED FARMERS AND**
17 **RANCHERS.**

18 (a) IN GENERAL.—Section 2501 of the Food, Agri-
19 culture, Conservation, and Trade Act of 1990 (7 U.S.C.
20 2279)) is amended—

21 (1) in subsection (a)—

22 (A) by striking paragraph (2) and insert-
23 ing the following:

1 “(2) REQUIREMENTS.—The outreach and tech-
2 nical assistance program under paragraph (1) shall
3 be used exclusively—

4 “(A) to enhance coordination of the out-
5 reach, technical assistance, and education ef-
6 forts authorized under agriculture programs;
7 and

8 “(B) to assist the Secretary in—

9 “(i) reaching socially disadvantaged
10 farmers and ranchers and prospective so-
11 cially disadvantaged farmers and ranchers
12 in a culturally and linguistically appro-
13 priate manner; and

14 “(ii) improving the participation of
15 those farmers and ranchers in Department
16 programs, as determined under section
17 2501A.”;

18 (B) in paragraph (3)—

19 (i) in subparagraph (A), by striking
20 “entity to provide information” and insert-
21 ing “entity that has demonstrated an abil-
22 ity to carry out the requirements described
23 in paragraph (2) to provide outreach”; and

24 (ii) by adding at the end the fol-
25 lowing:

1 “(D) RENEWAL OF CONTRACTS.—The Sec-
2 retary may provide for renewal of a grant, con-
3 tract, or other agreement under this section
4 with an eligible entity that—

5 “(i) has previously received funding
6 under this section;

7 “(ii) has demonstrated an ability to
8 carry out the requirements described in
9 paragraph (2); and

10 “(iii) demonstrates to the satisfaction
11 of the Secretary that the entity will con-
12 tinue to fulfill the purposes of this section.

13 “(E) REVIEW OF PROPOSALS.—Notwith-
14 standing subparagraph (D), the Secretary shall
15 promulgate a regulation to establish criteria for
16 the review process for grants and cooperative
17 agreements (including multiyear grants), which
18 shall include a review eligible entities on an in-
19 dividual basis.

20 “(F) REPORT.—The Secretary shall sub-
21 mit to Congress, and make publically available,
22 an annual report that describes—

23 “(i) the accomplishments of the pro-
24 gram under this section; and

1 “(ii) any gaps or problems in service
2 delivery as reported by grantees.”; and

3 (C) in paragraph (4)—

4 (i) by striking subparagraph (A), and
5 inserting the following:

6 “(A) AUTHORIZATION OF APPROPRIA-
7 TIONS.—There is authorized to be appropriated
8 to carry out this subsection \$50,000,000 for
9 each of fiscal years 2008 through 2012.”; and

10 (ii) by adding at the end the fol-
11 lowing:

12 “(C) LIMITATION ON USE OF FUNDS FOR
13 ADMINISTRATIVE EXPENSES.—Not more than 5
14 percent of the amounts made available under
15 this paragraph for a fiscal year may be used for
16 expenses related to administering the program
17 under this section.”; and

18 (2) in subsection (e)(5)(A)—

19 (A) in clause (i), by striking “has dem-
20 onstrated experience in” and inserting “has a
21 reputation for, and has demonstrated experi-
22 ence in,”; and

23 (B) in clause (ii)—

24 (i) by inserting “and on behalf of” be-
25 fore “socially”; and

1 (ii) by striking “2-year” and inserting
2 “3-year”.

3 (b) COORDINATION WITH OUTREACH.—

4 (1) IN GENERAL.—Not later than 18 months
5 after the date of enactment of this Act, the Sec-
6 retary shall develop a plan to join and relocate—

7 (A) the outreach and technical assistance
8 program established under section 2501 of the
9 Food, Agriculture, Conservation, and Trade Act
10 of 1990 (7 U.S.C. 2279); and

11 (B) the Office of Outreach of the Depart-
12 ment of Agriculture.

13 (2) CONSULTATION.—In preparing the plan
14 under paragraph (1), the Secretary shall, in con-
15 sultation with eligible entities under section 2501 of
16 the Food, Agriculture, Conservation, and Trade Act
17 of 1990 (7 U.S.C. 2279)—

18 (A) decide the most appropriate permanent
19 location for the programs described in para-
20 graph (1); and

21 (B) locate both programs together at that
22 location.

23 (3) REPORT.—After the relocation described in
24 this subsection is completed, the Secretary shall sub-

1 mit to Congress a report that includes information
2 describing the new location of the programs.

3 **SEC. 11053. ADDITIONAL CONTRACTING AUTHORITY.**

4 Section 2501(a)(3) of the Food, Agriculture, Con-
5 servation, and Trade Act of 1990 (7 U.S.C. 2279(a)(3))
6 (as amended by section 11052(a)(1)(B)(ii)) is amended by
7 adding at the end the following:

8 “(G) ADDITIONAL CONTRACTING AUTHOR-
9 ITY.—

10 “(i) IN GENERAL.—The Secretary
11 shall provide to the Office of Outreach of
12 the Department of Agriculture, the Nat-
13 ural Resources Conservation Service, the
14 Farm Service Agency, the Risk Manage-
15 ment Agency, the Forest Service, the Food
16 Safety and Inspection Service, and such
17 other agencies and programs as the Sec-
18 retary determines to be necessary, the au-
19 thority to make grants and enter into con-
20 tracts and cooperative agreements with
21 community-based organizations that meet
22 the definition of an eligible entity under
23 subsection (e).

24 “(ii) MATCHING FUNDS.—The Sec-
25 retary is not required to require matching

1 funds for a grant made, or a contract or
2 cooperative agreement entered into, under
3 this subparagraph.

4 “(iii) INTERAGENCY FUNDING.—Not-
5 withstanding any other provision of law
6 (including regulations), any Federal agency
7 may participate in any grant made, or con-
8 tract or cooperative agreement entered
9 into, under this subsection by contributing
10 funds, if the head of the agency determines
11 that the objectives of the grant, contract,
12 or cooperative agreement will further the
13 authorized programs of the contributing
14 agency.”.

15 **SEC. 11054. IMPROVED PROGRAM DELIVERY BY THE DE-**
16 **PARTMENT OF AGRICULTURE ON INDIAN**
17 **RESERVATIONS.**

18 Section 2501(g)(1) of the Food, Agriculture, Con-
19 servation, and Trade Act of 1990 (7 U.S.C. 2279(g)(1))
20 is amended by striking the second sentence.

21 **SEC. 11055. ACCURATE DOCUMENTATION IN THE CENSUS**
22 **OF AGRICULTURE AND CERTAIN STUDIES.**

23 Section 2501 of the Food, Agriculture, Conservation,
24 and Trade Act of 1990 (7 U.S.C. 2279) is amended by
25 adding at the end the following:

1 “(h) ACCURATE DOCUMENTATION.—The Secretary
2 shall ensure, to the maximum extent practicable, that the
3 Census of Agriculture and studies carried out by the Eco-
4 nomic Research Service accurately document the number,
5 location, and economic contributions of socially disadvan-
6 taged farmers and ranchers in agricultural production.”.

7 **SEC. 11056. IMPROVED DATA REQUIREMENTS.**

8 Section 2501A of the Food, Agriculture, Conserva-
9 tion, and Trade Act of 1990 (7 U.S.C. 2279–1) is amend-
10 ed by striking subsection (c) and inserting the following:

11 “(c) COMPILATION OF PROGRAM PARTICIPATION
12 DATA.—

13 “(1) ANNUAL REQUIREMENT.—For each county
14 and State in the United States, the Secretary of Ag-
15 riculture (referred to in this section as the ‘Sec-
16 retary’) shall annually compile program application
17 and participation rate data regarding socially dis-
18 advantaged farmers and ranchers by computing for
19 each program of the Department of Agriculture that
20 serves agricultural producers or landowners—

21 “(A) raw numbers of applicants and par-
22 ticipants by race, ethnicity, and gender, subject
23 to appropriate privacy protections, as deter-
24 mined by the Secretary; and

1 “(B) the application and participation rate,
2 by race, ethnicity, and gender, as a percentage
3 of the total participation rate of all agricultural
4 producers and landowners.

5 “(2) AUTHORITY TO COLLECT DATA.—The
6 heads of the agencies of the Department of Agri-
7 culture shall collect and transmit to the Secretary
8 any data, including data on race, gender, and eth-
9 nicity, that the Secretary determines to be necessary
10 to carry out paragraph (1).

11 “(3) REPORT.—Using the technologies and sys-
12 tems of the National Agricultural Statistics Service,
13 the Secretary shall compile and present the data re-
14 quired under paragraph (1) for each program de-
15 scribed in that paragraph in a manner that includes
16 the raw numbers and participation rates for—

17 “(A) the entire United States;

18 “(B) each State; and

19 “(C) each county in each State.

20 “(d) LIMITATIONS ON USE OF DATA.—

21 “(1) IN GENERAL.—In carrying out this sec-
22 tion, the Secretary shall not disclose the names or
23 individual data of any program participant.

1 “(2) AUTHORIZED USES.—The data under this
2 section shall be used exclusively for the purposes de-
3 scribed in subsection (a).

4 “(3) LIMITATION.—Except as otherwise pro-
5 vided, the data under this section shall not be used
6 for the evaluation of individual applications for as-
7 sistance.”.

8 **SEC. 11057. RECEIPT FOR SERVICE OR DENIAL OF SERVICE.**

9 Section 2501A of the Food, Agriculture, Conserva-
10 tion, and Trade Act of 1990 (7 U.S.C. 2279–1) (as
11 amended by section 11056) is amended by adding at the
12 end the following:

13 “(e) RECEIPT FOR SERVICE OR DENIAL OF SERV-
14 ICE.—In any case in which a farmer or rancher, or a pro-
15 spective farmer or rancher, in person or in writing, re-
16 quests from the Farm Service Agency or the Natural Re-
17 sources Conservation Service of the Department of Agri-
18 culture any benefit or service offered by the Department
19 to agricultural producers or landowners, and at the time
20 of the request requests a receipt, the Secretary of Agri-
21 culture shall issue, on the date of the request, a receipt
22 to the farmer or rancher, or prospective farmer or rancher,
23 that contains—

24 “(1) the date, place, and subject of the request;
25 and

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1 “(2) the action taken, not taken, or rec-
2 ommended to the farmer or rancher or prospective
3 farmer or rancher.”.

4 **SEC. 11058. NATIONAL APPEALS DIVISION.**

5 Section 280 of the Department of Agriculture Reor-
6 ganization Act of 1994 (7 U.S.C. 7000) is amended—

7 (1) by striking “On the return” and inserting
8 the following:

9 “(a) IN GENERAL.—On the return”; and

10 (2) by adding at the end the following:

11 “(b) REPORTS.—

12 “(1) IN GENERAL.—Not later than 180 days
13 after the date of enactment of this subsection, and
14 every 180 days thereafter, the head of each agency
15 shall submit to the Committee on Agriculture of the
16 House of Representatives and the Committee on Ag-
17 riculture, Nutrition, and Forestry of the Senate, and
18 publish on the website of the Department, a report
19 that includes—

20 “(A) a description of all cases returned to
21 the agency during the period covered by the re-
22 port pursuant to a final determination of the
23 Division;

24 “(B) the status of implementation of each
25 final determination; and

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1 “(C) if the final determination has not
2 been implemented—

3 “(i) the reason that the final deter-
4 mination has not been implemented; and

5 “(ii) the projected date of implemen-
6 tation of the final determination.

7 “(2) UPDATES.—Each month, the head of each
8 agency shall publish on the website of the Depart-
9 ment any updates to the reports submitted under
10 paragraph (1).”.

11 **SEC. 11059. FARMWORKER COORDINATOR.**

12 (a) IN GENERAL.—Subtitle B of title II of the De-
13 partment of Agriculture Reorganization Act of 1994 is
14 amended by inserting after section 226A (7 U.S.C. 6933)
15 the following:

16 **“SEC. 226B. FARMWORKER COORDINATOR.**

17 “(a) ESTABLISHMENT.—The Secretary shall estab-
18 lish within the Department the position of Farmworker
19 Coordinator (referred to in this section as the ‘Coordi-
20 nator’).

21 “(b) DUTIES.—The Secretary shall delegate to the
22 Coordinator responsibility for—

23 “(1) assisting in administering the program es-
24 tablished by section 2281 of the Food, Agriculture,

1 Conservation, and Trade Act of 1990 (42 U.S.C.
2 5177a);

3 “(2) serving as a liaison to community-based
4 nonprofit organizations that represent and have
5 demonstrated experience serving low-income migrant
6 and seasonal farmworkers;

7 “(3) coordinating with the Department, other
8 Federal agencies, and State and local governments
9 to ensure that farmworker needs are assessed and
10 met during declared disasters and other emer-
11 gencies;

12 “(4) consulting with the Office of Small Farm
13 Coordination, Office of Outreach, Outreach Coordi-
14 nators, and other entities to better integrate farm-
15 worker perspectives, concerns, and interests into the
16 ongoing programs of the Department;

17 “(5) consulting with appropriate institutions on
18 research, program improvements, or agricultural
19 education opportunities that assist low-income and
20 migrant seasonal farmworkers; and

21 “(6) ensuring that farmworkers have access to
22 services and support to enter agriculture as pro-
23 ducers.

1 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated such sums as are nec-
3 essary to carry out this section.”.

4 (b) CONFORMING AMENDMENT.—Section 296(b) of
5 the Department of Agriculture Reorganization Act of
6 1994 (7 U.S.C. 7014(b)) (as amended by section
7 7401(c)(1)) is amended by adding at the end the fol-
8 lowing:

9 “(7) the authority of the Secretary to establish
10 in the Department a position of Farmworker Coordi-
11 nator in accordance with section 226B.”.

12 **SEC. 11060. CONGRESSIONAL BIPARTISAN FOOD SAFETY**
13 **COMMISSION.**

14 (a) COMMISSION.—

15 (1) ESTABLISHMENT.—

16 (A) IN GENERAL.—There is established a
17 commission to be known as the “Congressional
18 Bipartisan Food Safety Commission” (referred
19 to in this section as the “Commission”).

20 (B) PURPOSE.—The purpose of the Com-
21 mission shall be to act in a bipartisan, con-
22 sensus-driven fashion—

23 (i) to review the food safety system of
24 the United States;

25 (ii) to prepare a report that—

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1 (I) summarizes information
2 about the food safety system as in ef-
3 fect as of the date of enactment of
4 this Act; and

5 (II) makes recommendations on
6 ways—

7 (aa) to modernize the food
8 safety system of the United
9 States;

10 (bb) to harmonize and up-
11 date food safety statutes;

12 (cc) to improve Federal,
13 State, local, and interagency co-
14 ordination of food safety per-
15 sonnel, activities, budgets, and
16 leadership;

17 (dd) to best allocate scarce
18 resources according to risk;

19 (ee) to ensure that regula-
20 tions, directives, guidance, and
21 other standards and require-
22 ments are based on best-available
23 science and technology;

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1 (ff) to emphasize preventiva-
2 tive rather than reactive strate-
3 gies; and

4 (gg) to provide to Federal
5 agencies funding mechanisms
6 necessary to effectively carry out
7 food safety responsibilities; and

8 (iii) to draft specific statutory lan-
9 guage, including detailed summaries of the
10 language and budget recommendations,
11 that would implement the recommenda-
12 tions of the Commission.

13 (2) MEMBERSHIP.—

14 (A) COMPOSITION.—The Commission shall
15 be composed of 19 members.

16 (B) ELIGIBILITY.—Members of the Com-
17 mission shall—

18 (i) have specialized training, edu-
19 cation, or significant experience in at least
20 1 of the areas of—

21 (I) food safety research;

22 (II) food safety law and policy;

23 and

24 (III) program design and imple-
25 mentation;

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1 (ii) consist of—

2 (I) the Secretary of Agriculture
3 (or a designee);

4 (II) the Secretary of Health and
5 Human Services (or a designee);

6 (III) 1 Member of the House of
7 Representatives; and

8 (IV) 1 Member of the Senate;
9 and

10 (V) 15 additional members that
11 include, to the maximum extent prac-
12 ticable, representatives of—

13 (aa) consumer organizations;

14 (bb) agricultural and live-
15 stock production;

16 (cc) public health profes-
17 sionals;

18 (dd) State regulators;

19 (ee) Federal employees; and

20 (ff) the livestock and food
21 manufacturing and processing in-
22 dustry.

23 (C) APPOINTMENTS.—

24 (i) IN GENERAL.—The appointment of
25 the members of the Commission shall be

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1 made not later than 60 days after the date
2 of enactment of this Act.

3 (ii) CERTAIN APPOINTMENTS.—Of the
4 members of the Commission described in
5 subparagraph (B)(ii)(V)—

6 (I) 2 shall be appointed by the
7 President;

8 (II) 7 shall be appointed by a
9 working group consisting of—

10 (aa) the Chairman of each
11 of the Committee on Agriculture,
12 Nutrition, and Forestry and the
13 Committee on Health, Education,
14 Labor, and Pensions of the Sen-
15 ate;

16 (bb) the Chairman of each
17 of the Committee on Agriculture
18 and the Committee on Energy
19 and Commerce of the House of
20 Representatives;

21 (cc) the Speaker of the
22 House of Representatives; and

23 (dd) the Majority Leader of
24 the Senate; and

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1 (III) 6 shall be appointed by a
2 working group consisting of—

3 (aa) the Ranking Member of
4 each of the Committees described
5 in items (aa) and (bb) of sub-
6 clause (II);

7 (bb) the Minority Leader of
8 the House of Representatives;
9 and

10 (cc) the Minority Leader of
11 the Senate.

12 (D) TERM.—A member of the Commission
13 shall be appointed for the life of the Commis-
14 sion.

15 (E) VACANCIES.—A vacancy on the Com-
16 mission—

17 (i) shall not affect the powers of the
18 Commission; and

19 (ii) shall be filled in the same manner
20 as the original appointment was made.

21 (3) MEETINGS.—

22 (A) INITIAL MEETING.—Except as pro-
23 vided in subparagraph (B), the initial meeting
24 of the Commission shall be conducted in Wash-
25 ington, District of Columbia, not later than 30

1 days after the date of appointment of the final
2 member of the Commission under paragraph
3 (2)(C).

4 (B) MEETING FOR PARTIAL APPOINT-
5 MENT.—If, as of the date that is 90 days after
6 the date of enactment of this Act, all members
7 of the Commission have not been appointed
8 under paragraph (2)(C), but at least 8 mem-
9 bers have been appointed, the Commission may
10 hold the initial meeting of the Commission.

11 (C) OTHER MEETINGS.—The Commission
12 shall—

13 (i) hold a series of at least 5 stake-
14 holder meetings to solicit public comment,
15 including—

16 (I) at least 1 stakeholder meet-
17 ing, to be held in Washington, Dis-
18 trict of Columbia; and

19 (II) at least 4 stakeholder meet-
20 ings, to be held in various regions of
21 the United States; and

22 (ii) meet at the call of—

23 (I) the Chairperson;

24 (II) the Vice-Chairperson; or

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1 (III) a majority of the members
2 of the Commission.

3 (D) PUBLIC PARTICIPATION; INFORMA-
4 TION.—To the maximum extent practicable—

5 (i) each meeting of the Commission
6 shall be open to the public; and

7 (ii) all information from a meeting of
8 the Commission shall be recorded and
9 made available to the public.

10 (E) QUORUM.—With respect to meetings
11 of the Commission—

12 (i) a majority of the members of the
13 Commission shall constitute a quorum for
14 the conduct of business of the Commission;
15 but

16 (ii) for the purpose of a stakeholder
17 meeting described in subparagraph (C)(i),
18 4 or more members of the Commission
19 shall constitute a quorum.

20 (F) FACILITATOR.—The Commission shall
21 contract with a nonpolitical, disinterested third-
22 party entity to serve as a meeting facilitator.

23 (4) CHAIRPERSON AND VICE-CHAIRPERSON.—

24 At the initial meeting of the Commission, the mem-
25 bers of the Commission shall select from among the

1 members a Chairperson and Vice-Chairperson of the
2 Commission.

3 (b) DUTIES.—

4 (1) RECOMMENDATIONS.—The Commission
5 shall review and consider the statutes, studies, and
6 reports described in paragraph (2) for the purpose
7 of understanding the food safety system of the
8 United States in existence as of the date of enact-
9 ment of this Act.

10 (2) STATUTES, STUDIES, AND REPORTS.—The
11 statutes, studies, and reports referred to in para-
12 graph (1) are—

13 (A) with respect with respect to laws ad-
14 ministered by the Secretary of Agriculture—

15 (i) the Federal Seed Act (7 U.S.C.
16 1551 et seq.);

17 (ii) the Agricultural Marketing Act of
18 1946 (7 U.S.C. 1621 et seq.);

19 (iii) the Animal Health Protection Act
20 (7 U.S.C. 8301 et seq.);

21 (iv) the Lacey Act Amendments of
22 1981 (16 U.S.C. 3371 et seq.);

23 (v) the Poultry Products Inspection
24 Act (21 U.S.C. 451 et seq.);

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1 (vi) the Federal Meat Inspection Act
2 (21 U.S.C. 601 et seq.); and

3 (vii) the Egg Products Inspection Act
4 (21 U.S.C. 1031 et seq.);

5 (B) with respect to laws administered by
6 the Secretary of the Treasury, the Federal Al-
7 cohol Administration Act (27 U.S.C. 201 et
8 seq.);

9 (C) with respect to laws administered by
10 the Federal Trade Commission, the Act of Sep-
11 tember 26, 1914 (15 U.S.C. 41 et seq.);

12 (D) with respect to laws administered by
13 the Secretary of Health and Human Services—

14 (i) chapters I through IV of the Fed-
15 eral Food, Drug, and Cosmetic Act (21
16 U.S.C. 301 et seq.);

17 (ii) the Public Health Service Act (42
18 U.S.C. 201 et seq.);

19 (iii) the Import Milk Act (21 U.S.C.
20 141 et seq.);

21 (iv) the Food Additives Amendment of
22 1958 (Public Law 85–929; 52 Stat. 1041);

23 (v) the Fair Packaging and Labeling
24 Act (Public Law 89–755; 80 Stat. 1296);

1 (vi) the Infant Formula Act of 1980
2 (21 U.S.C. 301 note; Public Law 96–359);

3 (vii) the Pesticide Monitoring Im-
4 provements Act of 1988 (Public Law 100–
5 418; 102 Stat. 1411);

6 (viii) the Nutrition Labeling and Edu-
7 cation Act of 1990 (21 U.S.C. 301 note;
8 Public Law 101–535);

9 (ix) the Food and Drug Administra-
10 tion Modernization Act of 1997 (21 U.S.C.
11 301 note; Public Law 105–115); and

12 (x) the Public Health Security and
13 Bioterrorism Preparedness and Response
14 Act of 2002 (21 U.S.C. 201 note; Public
15 Law 107–188);

16 (E) with respect to laws administered by
17 the Attorney General, the Federal Anti-Tam-
18 pering Act (18 U.S.C. 1365 note; Public Law
19 98–127);

20 (F) with respect to laws administered by
21 the Administrator of the Environmental Protec-
22 tion Agency—

23 (i) the Federal Insecticide, Fungicide,
24 and Rodenticide Act (7 U.S.C. 136 et
25 seq.);

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1 (ii) the Food Quality Protection Act
2 of 1996 (7 U.S.C. 136 note; Public Law
3 104–170);

4 (iii) the Toxic Substances Control Act
5 (15 U.S.C. 2601 et seq.); and

6 (iv) the Safe Drinking Water Act of
7 1974 (42 U.S.C. 201 note; Public Law 93–
8 523); and

9 (G) with respect to laws administered by
10 the Secretary of Transportation, chapter 57 of
11 subtitle II of title 49, United States Code (re-
12 lating to sanitary food transportation); and

13 (H) with respect to Government studies on
14 food safety—

15 (i) the report of the National Acad-
16 emies of Science entitled “Ensuring Safe
17 Food from Production to Consumption”
18 and dated 1998;

19 (ii) the report of the National Acad-
20 emies of Science entitled “Scientific Cri-
21 teria to Ensure Safe Food” and dated
22 2003;

23 (iii) reports of the Office of the In-
24 spector General of the Department of Agri-
25 culture, including—

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1 (I) report 24601-0008-CH, enti-
2 tled “Egg Products Processing In-
3 spection” and dated September 18,
4 2007;

5 (II) report 24005-1-AT, entitled
6 “Food Safety and Inspection Service -
7 State Meat and Poultry Inspection
8 Programs” and dated September 27,
9 2006;

10 (III) report 24601-06-CH, enti-
11 tled “Food Safety and Inspection
12 Service’s In-Plant Performance Sys-
13 tem” and dated March 28, 2006;

14 (IV) report 24601-05-AT, enti-
15 tled “Hazard Analysis and Critical
16 Control Point Implementation at Very
17 Small Plants” and dated June 24,
18 2005;

19 (V) report 24601-04-HY, entitled
20 “Food Safety and Inspection Service
21 Oversight of the 2004 Recall by
22 Quaker Maid Meats, Inc.” and dated
23 May 18, 2005;

24 (VI) report 24501-01-FM, enti-
25 tled “Food Safety and Inspection

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1 Service Application Controls - Per-
2 formance Based Inspection System”
3 and dated November 24, 2004;

4 (VII) report 24601-03-CH, enti-
5 tled “Food Safety and Inspection
6 Service Use of Food Safety Informa-
7 tion” and dated September 30, 2004;

8 (VIII) report 24601-03-HY, enti-
9 tled “Food Safety and Inspection
10 Service Effectiveness Checks for the
11 2002 Pilgrim’s Pride Recall” and
12 dated June 29, 2004;

13 (IX) report 24601-02-HY, enti-
14 tled “Food Safety and Inspection
15 Service Oversight of the Listeria Out-
16 break in the Northeastern United
17 States” and dated June 9, 2004;

18 (X) report 24099-05-HY, entitled
19 “Food Safety and Inspection Service
20 Imported Meat and Poultry Equiva-
21 lence Determinations Phase III” and
22 dated December 29, 2003;

23 (XI) report 24601-2-KC, entitled
24 “Food Safety and Inspection Service -
25 Oversight of Production Process and

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1 Recall at Conagra Plant (Establish-
2 ment 969)” and dated September 30,
3 2003;

4 (XII) report 24601-1-Ch, entitled
5 “Laboratory Testing Of Meat And
6 Poultry Products” and dated June
7 21, 2000;

8 (XIII) report 24001-3-At, 24601-
9 1-Ch, 24099-3-Hy, 24601-4-At, enti-
10 tled “Food Safety and Inspection
11 Service: HACCP Implementation,
12 Pathogen Testing Program, Foreign
13 Country Equivalency, Compliance Ac-
14 tivities” and dated June 21, 2000;
15 and

16 (XIV) report 24001-3-At, enti-
17 tled “Implementation of the Hazard
18 Analysis and Critical Control Point
19 System” and dated June 21, 2000;
20 and

21 (I) with respect to reports prepared by the
22 Government Accountability Office, the reports
23 designated—

24 (i) GAO-05-212;

25 (ii) GAO-02-47T;

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- 1 (iii) GAO/T-RCED-94-223;
- 2 (iv) GAO/RCED-99-80;
- 3 (v) GAO/T-RCED-98-191;
- 4 (vi) GAO/RCED-98-103;
- 5 (vii) GAO-07-785T;
- 6 (viii) GAO-05-51;
- 7 (ix) GAO/T-RCED-94-311;
- 8 (x) GAO/RCED-92-152;
- 9 (xi) GAO/T-RCED-99-232;
- 10 (xii) GAO/T-RCED-98-271;
- 11 (xiii) GAO-07-449T;
- 12 (xiv) GAO-05-213;
- 13 (xv) GAO-04-588T;
- 14 (xvi) GAO/RCED-00-255;
- 15 (xvii) GAO/RCED-00-195; and
- 16 (xviii) GAO/T-RCED-99-256.

17 (3) REPORT.—Not later than 360 days after
18 the date on which the Commission first meets, the
19 Commission shall submit to the President and Con-
20 gress a report that includes the report and sum-
21 maries, statutory language recommendations, and
22 budget recommendations described in clauses (ii)
23 and (iii) of subsection (a)(1)(B).

24 (c) POWERS OF THE COMMISSION.—

(1) HEARINGS.—The Commission or, at the direction of the Commission, any member of the Commission, may, for the purpose of carrying out this section—

5 (A) hold such hearings, meet and act at
6 such times and places, take such testimony, re-
7 ceive such evidence, and administer such oaths;
8 and

9 (B) require the attendance and testimony
10 of such witnesses and the production of such
11 books, records, correspondence, memoranda, pa-
12 pers, documents, tapes, and materials;
13 as the Commission or member considers advisable.

14 (2) INFORMATION FROM FEDERAL AGENCIES.—

(A) IN GENERAL.—The Commission may secure directly, from any Federal agency, such information as the Commission considers necessary to carry out this section.

19 (B) PROVISION OF INFORMATION.—

(i) IN GENERAL.—Subject to subparagraph (C), on the request of the Commission, the head of a Federal agency described in subparagraph (A) shall expeditiously furnish information requested by the Commission to the Commission.

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1 (ii) ADMINISTRATION.—The fur-
2 nishing of information by a Federal agency
3 to the Commission shall not be considered
4 a waiver of any exemption available to the
5 agency under section 552 of title 5, United
6 States Code.

7 (C) INFORMATION TO BE KEPT CONFIDEN-
8 TIAL.—For purposes of section 1905 of title 18,
9 United States Code—

10 (i) the Commission shall be considered
11 an agency of the Federal Government; and

12 (ii) any individual employed by an in-
13 dividual, entity, or organization that is a
14 party to a contract with the Commission
15 under this section shall be considered an
16 employee of the Commission.

17 (d) COMMISSION PERSONNEL MATTERS.—

18 (1) MEMBERS.—

19 (A) NON-FEDERAL EMPLOYEES.—A mem-
20 ber of the Commission who is not an officer or
21 employee of the Federal Government shall be
22 compensated at a rate equal to the daily equiva-
23 lent of the annual rate of basic pay prescribed
24 for level IV of the Executive Schedule under
25 section 5315 of title 5, United States Code, for

1 each day (including travel time) during which
2 the member is engaged in the performance of
3 the duties of the Commission.

4 (B) FEDERAL EMPLOYEES.—A member of
5 the Commission who is an officer or employee
6 of the Federal Government shall serve without
7 compensation in addition to the compensation
8 received for the services of the member as an
9 officer or employee of the Federal Government.

10 (C) TRAVEL EXPENSES.—A member of the
11 Commission shall be allowed travel expenses, in-
12 cluding per diem in lieu of subsistence, at rates
13 authorized for an employee of an agency under
14 subchapter I of chapter 57 of title 5, United
15 States Code, while away from the home or reg-
16 ular place of business of the member in the per-
17 formance of the duties of the Commission.

18 (2) STAFF.—

19 (A) EXECUTIVE DIRECTOR.—Not later
20 than 30 days after the Chairperson and Vice-
21 Chairperson of the Commission are selected
22 under subsection (a)(4), the Chairperson and
23 Vice-Chairperson shall jointly select an indi-
24 vidual to serve as executive director of the Com-
25 mission.

1 (B) ADDITIONAL STAFF.—The Chair-
2 person of the Commission may, without regard
3 to the civil service laws (including regulations),
4 appoint and terminate the appointment of such
5 other additional personnel as are necessary to
6 enable the Commission to perform the duties of
7 the Commission.

8 (C) CONFIRMATION OF EXECUTIVE DIREC-
9 TOR.—The employment of an executive director
10 under this paragraph shall be subject to con-
11 firmation by the Commission.

12 (D) COMPENSATION.—

13 (i) IN GENERAL.—Except as provided
14 in clause (ii), the Chairperson of the Com-
15 mission may fix the compensation of the
16 executive director and other personnel
17 without regard to the provisions of chapter
18 51 and subchapter III of chapter 53 of
19 title 5, United States Code, relating to
20 classification of positions and General
21 Schedule pay rates.

22 (ii) MAXIMUM RATE OF PAY.—The
23 rate of pay for the executive director and
24 other personnel shall not exceed the rate
25 payable for level II of the Executive Sched-

1 ule under section 5316 of title 5, United
2 States Code.

3 (3) DETAIL OF FEDERAL GOVERNMENT EM-
4 PLOYEES.—

5 (A) IN GENERAL.—An employee of the
6 Federal Government may be detailed to the
7 Commission, without reimbursement, for such
8 period of time as is permitted by law.

9 (B) CIVIL SERVICE STATUS.—The detail of
10 the employee shall be without interruption or
11 loss of civil service status or privilege.

12 (4) PROCUREMENT OF TEMPORARY AND INTER-
13 MITTENT SERVICES.—The Chairperson, Vice-Chair-
14 person, and executive director of the Commission
15 may procure temporary and intermittent services in
16 accordance with section 3109(b) of title 5, United
17 States Code, at rates for individuals that do not ex-
18 ceed the daily equivalent of the annual rate of basic
19 pay prescribed for level IV of the Executive Schedule
20 under section 5316 of that title.

21 (e) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated such sums as are nec-
23 essary to carry out this section.

1 (f) TERMINATION.—The Commission shall terminate
2 on the date that is 60 days after the date on which the
3 Commission submits the report under subsection (b)(2).

4 **SEC. 11061. EMERGENCY GRANTS TO ASSIST LOW-INCOME**
5 **MIGRANT AND SEASONAL FARMWORKERS.**

6 Section 2281 of the Food, Agriculture, Conservation,
7 and Trade Act of 1990 (42 U.S.C. 5177a) is amended
8 to read as follows:

9 **“SEC. 2281. EMERGENCY GRANTS TO ASSIST LOW-INCOME**
10 **MIGRANT AND SEASONAL FARMWORKERS.**

11 “(a) DEFINITIONS.—In this section:

12 “(1) ELIGIBLE ENTITY.—The term ‘eligible en-
13 tity’ means a public agency, community-based orga-
14 nization, or network of community-based organiza-
15 tions with tax-exempt status under section 501(c)(3)
16 of the Internal Revenue Code of 1986, that has at
17 least 5 years of demonstrated experience in rep-
18 resenting and providing emergency services to low-
19 income migrant or seasonal farmworkers

20 “(2) LOW-INCOME MIGRANT OR SEASONAL
21 FARMWORKER.—The term ‘low-income migrant or
22 seasonal farmworker’ means an individual—

23 “(A) who has, during any consecutive 12-
24 month period within the preceding 24-month
25 period, performed farm work for wages;

1 “(B) who has received not less than $\frac{1}{2}$ of
2 the total income of the individual from, or been
3 employed at least $\frac{1}{2}$ of total work time in, farm
4 work; and

5 “(C) whose annual family income during
6 the 12-month period described in paragraph (1)
7 does not exceed the higher of, as determined by
8 the Secretary—

9 “(i) 185 percent of the most recent
10 annual Federal Poverty Income Guidelines
11 published by the Department of Health
12 and Human Services; or

13 “(ii) 70 percent of the lower living
14 standard income level.

15 “(3) SECRETARY.—The term ‘Secretary’ means
16 the Secretary of Agriculture.

17 “(b) GRANTS AVAILABLE.—The Secretary may make
18 grants to eligible entities if the Secretary determines that
19 a local, State, or national emergency or disaster has
20 caused low-income migrant or seasonal farmworkers—

21 “(1) to lose income;

22 “(2) to be unable to work; or

23 “(3) to stay home or return home in anticipa-
24 tion of work shortages.

1 “(c) USE OF FUNDS.—As a condition of receiving a
2 grant under subsection (b), an eligible entity shall use the
3 grant to provide emergency services to low-income migrant
4 or seasonal farmworkers, with a focus on—

5 “(1) assistance that allows low-income migrant
6 or seasonal farmworkers to meet or access other re-
7 sources to meet short-term emergency family needs
8 for food, clothing, employment, transportation, and
9 housing;

10 “(2) assistance that allows low-income and mi-
11 grant seasonal farmworkers to remain in a disaster
12 area; and

13 “(3) such other priorities that the Secretary de-
14 termines to be appropriate.

15 “(d) DISASTER FUND.—

16 “(1) IN GENERAL.—The Secretary shall main-
17 tain a disaster fund of \$2,000,000 to be used for im-
18 mediate assistance for events described in subsection
19 (b).

20 “(2) FUNDING.—There are authorized to be ap-
21 propriated to the Secretary such sums as are nec-
22 essary to maintain the disaster fund at \$2,000,000
23 for each of fiscal years 2008 through 2012.”.

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1 **SEC. 11062. GRANTS TO REDUCE PRODUCTION OF**
2 **METHAMPHETAMINES FROM ANHYDROUS**
3 **AMMONIA.**

4 (a) DEFINITIONS.—In this section:

5 (1) ELIGIBLE ENTITY.—The term “eligible enti-
6 ty” means—

7 (A) a producer of agricultural commod-
8 ities;

9 (B) a cooperative association, a majority of
10 the members of which produce or process agri-
11 cultural commodities; or

12 (C) a person in the trade or business of—

13 (i) selling an agricultural product (in-
14 cluding an agricultural chemical) at retail,
15 predominantly to farmers and ranchers; or

16 (ii) aerial and ground application of
17 an agricultural chemical.

18 (2) NURSE TANK.—The term “nurse tank”
19 shall be considered to be a cargo tank (within the
20 meaning of section 173.315(m) of title 49, Code of
21 Federal Regulations, as in effect as of the date of
22 the enactment of this Act).

23 (b) GRANT AUTHORITY.—The Secretary may make
24 a grant to an eligible entity to enable the eligible entity
25 to obtain and add to an anhydrous ammonia fertilizer
26 nurse tank a physical lock or a substance to reduce the

1 amount of methamphetamine that can be produced from
2 any anhydrous ammonia removed from the nurse tank.

3 (c) GRANT AMOUNT.—The amount of a grant made
4 under this section to an eligible entity shall be the product
5 obtained by multiplying—

6 (1) an amount not less than \$40 and not more
7 than \$60, as determined by the Secretary; and

8 (2) the number of fertilizer nurse tanks of the
9 eligible entity.

10 (d) AUTHORIZATION OF APPROPRIATIONS.—There is
11 authorized to be appropriated to the Secretary to make
12 grants under this section \$15,000,000 for the period of
13 fiscal years 2008 through 2012.

14 **SEC. 11063. INVASIVE SPECIES MANAGEMENT, HAWAII.**

15 (a) DEFINITIONS.—In this section:

16 (1) SECRETARIES.—The term “Secretaries”
17 means—

18 (A) the Secretary of the Interior;

19 (B) the Secretary of Agriculture; and

20 (C) the Secretary of Homeland Security.

21 (2) SECRETARY CONCERNED.—The term “Sec-
22 retary concerned” means—

23 (A) the Secretary of the Interior, with re-
24 spect to matters under the jurisdiction of the
25 Department of the Interior;

1 (B) the Secretary of Agriculture, with re-
2 spect to matters under the jurisdiction of the
3 Department of Agriculture; and

4 (C) the Secretary of Homeland Security,
5 with respect to matters under the jurisdiction of
6 the Department of Homeland Security.

7 (3) STATE.—The term “State” means the State
8 of Hawaii.

9 (b) CONTROLLING INTRODUCTION AND SPREAD OF
10 INVASIVE SPECIES AND DISEASES IN THE STATE.—

11 (1) CONSULTATION AND COOPERATION.—The
12 Secretaries concerned shall—

13 (A) with respect to restricting the intro-
14 duction or movement of invasive species and
15 diseases into the State, consult and cooperate
16 with the State; and

17 (B) in carrying out the activities described
18 in this subsection, consult and cooperate with
19 appropriate agencies and officers with experi-
20 ence relating to quarantine procedures, natural
21 resources, conservation, and law enforcement
22 of—

23 (i) the Department of Homeland Se-
24 curity;

25 (ii) the Department of Commerce;

- 1 (iii) the United States Treasury; and
2 (iv) the State.

3 (2) DEVELOPMENT OF COLLABORATIVE FED-
4 ERAL AND STATE PROCEDURES.—The Secretaries,
5 in collaboration with the State, shall—

6 (A) develop procedures to minimize the in-
7 troduction of invasive species into the State;
8 and

9 (B) submit to Congress annual reports de-
10 scribing progress made and results achieved in
11 carrying out the procedures.

12 (3) EXPEDITED CONSIDERATION OF STATE AND
13 LOCAL CONTROL PROPOSALS.—

14 (A) EXPEDITED PROCESS.—Not later than
15 1 year after the date of enactment of this Act,
16 the Secretaries shall establish an expedited
17 process for the State and political subdivisions
18 of the State under which the State and political
19 subdivisions may, through the submission of an
20 application, seek approval of the Secretary con-
21 cerned to impose a general or specific prohibi-
22 tion or restriction on the introduction or move-
23 ment of invasive species or diseases from do-
24 mestic or foreign locations to the State that is

1 in addition to the applicable prohibition or re-
2 striction imposed by the Secretary concerned.

3 (B) REVIEW PERIOD.—Not later than 60
4 days after the date of receipt by the Secretary
5 concerned of an application under subparagraph
6 (A) that the Secretary concerned determines to
7 be a completed application, the Secretary con-
8 cerned shall—

9 (i) review the completed application;

10 (ii) assess each potential risk with re-
11 spect to the completed application; and

12 (iii) approve or disapprove the com-
13 pleted application.

14 (4) RESPONSE TO EMERGENCY THREATS.—

15 (A) IN GENERAL.—The State may carry
16 out an emergency action to impose a prohibition
17 or restriction on the entry of an invasive species
18 or disease that is in addition to the applicable
19 prohibition or restriction imposed by the Sec-
20 retary concerned if—

21 (i) the State has submitted to the
22 Secretary concerned a completed applica-
23 tion under paragraph (3) that is pending
24 approval by the Secretary concerned; and

1 (ii) an emergency or imminent threat
2 from an invasive species or disease occurs
3 in the State during the period in which the
4 completed application described in clause
5 (i) is pending approval by the Secretary
6 concerned.

7 (B) NOTICE.—Before carrying out an
8 emergency action under subparagraph (A), the
9 State shall provide written notice to the Sec-
10 retary concerned.

11 (C) PERIOD OF EMERGENCY ACTION.—If,
12 by the date that is 10 days after the date of re-
13 ceipt of a written notice under subparagraph
14 (B), the Secretary concerned does not object to
15 the emergency action that is the subject of the
16 notice, the State may carry out the emergency
17 action during the 60-day period beginning on
18 that date.

19 (c) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated to the Secretaries such
21 sums as are necessary to carry out this section for each
22 of fiscal years 2008 through 2012.

23 **SEC. 11064. OVERSIGHT AND COMPLIANCE.**

24 The Secretary, acting through the Assistant Sec-
25 retary for Civil Rights of the Department of Agriculture,

1 shall use the reports described in subsection (c) of section
2 2501A of the Food, Agriculture, Conservation, and Trade
3 Act of 1990 (7 U.S.C. 2279–1) (as amended by section
4 11056) in the conduct of oversight and evaluation of civil
5 rights compliance.

6 **SEC. 11065. REPORT OF CIVIL RIGHTS COMPLAINTS, RESO-**
7 **LUTIONS, AND ACTIONS.**

8 Each year, the Secretary shall—

9 (1) prepare a report that describes, for each
10 agency of the Department of Agriculture—

11 (A) the number of civil rights complaints
12 filed that relate to the agency, including wheth-
13 er a complaint is a program complaint or an
14 employment complaint;

15 (B) the length of time the agency took to
16 process each civil rights complaint;

17 (C) the number of proceedings brought
18 against the agency, including the number of
19 complaints described in paragraph (1) that were
20 resolved with a finding of discrimination; and

21 (D) the number and type of personnel ac-
22 tions taken by the agency following resolution
23 of civil rights complaints;

24 (2) submit to the Committee on Agriculture of
25 the House of Representatives and the Committee on

1 Agriculture, Nutrition, and Forestry of the Senate a
2 copy of the report; and

3 (3) make the report available to the public by
4 posting the report on the website of the Department.

5 **SEC. 11066. GRANTS TO IMPROVE SUPPLY, STABILITY,**
6 **SAFETY, AND TRAINING OF AGRICULTURAL**
7 **LABOR FORCE.**

8 (a) DEFINITION OF ELIGIBLE ENTITY.—In this sec-
9 tion, the term “eligible entity” means a nonprofit, commu-
10 nity-based organization, or a consortium of nonprofit,
11 community-based organizations, agricultural labor organi-
12 zations, farmer or rancher cooperatives, and public enti-
13 ties, that has the capacity (including demonstrated experi-
14 ence in providing training, housing, or emergency services
15 to migrant and seasonal farmworkers) to assist agricul-
16 tural employers and farmworkers with improvements in
17 the supply, stability, safety, and training of the agricul-
18 tural labor force.

19 (b) GRANTS.—

20 (1) IN GENERAL.—The Secretary may provide
21 grants to eligible entities for use in providing serv-
22 ices to assist farmworkers in securing, retaining, up-
23 grading, or returning from agricultural jobs.

24 (2) ELIGIBLE SERVICES.—The services referred
25 to in paragraph (1) include—

1 (A) agricultural upgrading and cross train-
2 ing;

3 (B) the provision of agricultural labor mar-
4 ket information;

5 (C) transportation;

6 (D) short-term housing, including housing
7 for unaccompanied farmworkers and at migrant
8 rest stops;

9 (E) travelers' aid;

10 (F) workplace literacy and assistance with
11 English as a second language;

12 (G) health and safety instruction, including
13 ways of safeguarding the food supply of the
14 United States; and

15 (H) limited emergency and financial assist-
16 ance, in cases in which the Secretary deter-
17 mines that a national, State, or local emergency
18 or disaster has caused migrant or seasonal
19 farmworkers to lose income or employment.

20 (3) EMERGENCY ASSISTANCE.—Any emergency
21 services provided using funds from a grant in ac-
22 cordance with paragraph (2)(H)—

23 (A) shall be consistent with section 2281
24 of the Food, Agriculture, Conservation, and

1336

1 Trade Act of 1990 (as amended by section
2 11061);

3 (B) shall be focused on assistance to allow
4 low-income farmworkers and their families to
5 meet short-term needs for such food, clothing,
6 employment, transportation, and housing as are
7 necessary to regain employment or return
8 home; and

9 (C) may include such other types of assist-
10 ance as the Secretary determines to be appro-
11 priate.

12 (c) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated such sums as are nec-
14 essary to carry out this section for each of fiscal years
15 2008 through 2012.

16 **SEC. 11067. INTERSTATE SHIPMENT OF MEAT AND POUL-**
17 **TRY INSPECTED BY FEDERAL AND STATE**
18 **AGENCIES FOR CERTAIN SMALL ESTABLISH-**
19 **MENTS.**

20 (a) MEAT AND MEAT PRODUCTS.—The Federal Meat
21 Inspection Act (21 U.S.C. 601 et seq.) is amended by add-
22 ing at the end the following:

1 **“TITLE V—INSPECTIONS BY**
2 **FEDERAL AND STATE AGENCIES**

3 **“SEC. 501. INTERSTATE SHIPMENT OF MEAT INSPECTED BY**
4 **FEDERAL AND STATE AGENCIES FOR CER-**
5 **TAIN SMALL ESTABLISHMENTS.**

6 “(a) DEFINITIONS.—

7 “(1) APPROPRIATE STATE AGENCY.—The term
8 ‘appropriate State agency’ means a State agency de-
9 scribed in section 301(b).

10 “(2) DESIGNATED PERSONNEL.—The term
11 ‘designated personnel’ means inspection personnel of
12 a State agency that have undergone all necessary in-
13 spection training and certification to assist the Sec-
14 retary in the administration and enforcement of this
15 Act, including regulations.

16 “(3) ELIGIBLE ESTABLISHMENT.—The term
17 ‘eligible establishment’ means an establishment that
18 is in compliance with—

19 “(A) the State inspection program of the
20 State in which the establishment is located; and

21 “(B) this Act.

22 “(4) MEAT ITEM.—The term ‘meat item’
23 means—

24 “(A) a portion of meat; and

25 “(B) a meat food product.

1 “(5) SELECTED ESTABLISHMENT.—The term
2 ‘selected establishment’ means an eligible establish-
3 ment that is selected by the Secretary, in coordina-
4 tion with the appropriate State agency of the State
5 in which the eligible establishment is located, under
6 subsection (b) to ship carcasses, portions of car-
7 casses, and meat items in interstate commerce.

8 “(b) AUTHORITY OF SECRETARY TO ALLOW SHIP-
9 MENTS.—

10 “(1) IN GENERAL.—Subject to paragraph (2),
11 the Secretary, in coordination with the appropriate
12 State agency of the State in which an establishment
13 is located, may select the establishment to ship car-
14 casses, portions of carcasses, and meat items in
15 interstate commerce, and place on each carcass, por-
16 tion of a carcass, and meat item shipped in inter-
17 state commerce a Federal mark, stamp, tag, or label
18 of inspection, if the establishment—

19 “(A) is an eligible establishment; and

20 “(B) is located in a State that has des-
21 ignated personnel to inspect the eligible estab-
22 lishment.

23 “(2) PROHIBITED ESTABLISHMENTS.—In car-
24 rying out paragraph (1), the Secretary, in coordina-

1 tion with an appropriate State agency, shall not se-
2 lect an establishment that—

3 “(A) on average, employs more than 25
4 employees (including supervisory and non-
5 supervisory employees), as defined by the Sec-
6 retary;

7 “(B) as of the date of enactment of this
8 section, ships in interstate commerce carcasses,
9 portions of carcasses, or meat items that are in-
10 spected by the Secretary in accordance with this
11 Act;

12 “(C)(i) is a Federal establishment;

13 “(ii) was a Federal establishment that was
14 reorganized on a later date under the same
15 name or a different name or person by the per-
16 son, firm, or corporation that controlled the es-
17 tablishment as of the date of enactment of this
18 section; or

19 “(iii) was a State establishment as of the
20 date of enactment of this section that—

21 “(I) as of the date of enactment of
22 this section, employed more than 25 em-
23 ployees; and

24 “(II) was reorganized on a later date
25 by the person, firm, or corporation that

1 controlled the establishment as of the date
2 of enactment of this section;

3 “(D) is in violation of this Act;

4 “(E) is located in a State that does not
5 have a State inspection program; or

6 “(F) is the subject of a transition carried
7 out in accordance with a procedure developed
8 by the Secretary under paragraph (3)(A).

9 “(3) ESTABLISHMENTS THAT EMPLOY MORE
10 THAN 25 EMPLOYEES.—

11 “(A) DEVELOPMENT OF PROCEDURE.—

12 The Secretary may develop a procedure to tran-
13 sition to a Federal establishment any establish-
14 ment under this section that, on average, con-
15 sistently employs more than 25 employees.

16 “(B) ELIGIBILITY OF CERTAIN ESTABLISH-
17 MENTS.—

18 “(i) IN GENERAL.—A State establish-
19 ment that employs more than 25 employ-
20 ees but less than 35 employees as of the
21 date of enactment of this section may be
22 selected as a selected establishment under
23 this subsection.

24 “(ii) PROCEDURES.—A State estab-
25 lishment shall be subject to the procedures

1 established under subparagraph (A) begin-
2 ning on the date that is 3 years after the
3 effective date described in subsection (j).

4 “(c) REIMBURSEMENT OF STATE COSTS.—

5 “(1) IN GENERAL.—Except as provided in para-
6 graph (2), the Secretary shall reimburse a State for
7 costs related to the inspection of selected establish-
8 ments in the State in accordance with Federal re-
9 quirements in an amount of not less than 60 percent
10 of eligible State costs.

11 “(2) MICROBIOLOGICAL VERIFICATION TEST-
12 ING.—The Secretary may reimburse a State for 100
13 percent of eligible State costs relating to the inspec-
14 tion of selected establishments in the State, if the
15 State provides additional microbiological verification
16 testing of the selected establishments, using stand-
17 ards under this Act, that is in excess of the typical
18 verification testing frequency of the Federal Govern-
19 ment with respect to Federal establishments.

20 “(d) COORDINATION BETWEEN FEDERAL AND
21 STATE AGENCIES.—

22 “(1) IN GENERAL.—The Secretary shall des-
23 ignate an employee of the Federal Government as
24 State coordinator for each appropriate State agen-
25 cy—

1 “(A) to provide oversight and enforcement
2 of this title; and

3 “(B) to oversee the training and inspection
4 activities of designated personnel of the State
5 agency.

6 “(2) SUPERVISION.—A State coordinator shall
7 be under the direct supervision of the Secretary.

8 “(3) DUTIES OF STATE COORDINATOR.—

9 “(A) IN GENERAL.—A State coordinator
10 shall visit selected establishments with a fre-
11 quency that is appropriate to ensure that se-
12 lected establishments are operating in a manner
13 that is consistent with this Act (including regu-
14 lations and policies under this Act).

15 “(B) QUARTERLY REPORTS.—A State co-
16 ordinator shall, on a quarterly basis, submit to
17 the Secretary a report that describes the status
18 of each selected establishment that is under the
19 jurisdiction of the State coordinator with re-
20 spect to the level of compliance of each selected
21 establishment with the requirements of this Act.

22 “(C) IMMEDIATE NOTIFICATION REQUIRE-
23 MENT.—If a State coordinator determines that
24 any selected establishment that is under the ju-
25 risdiction of the State coordinator is in violation

1 of any requirement of this Act, the State coor-
2 dinator shall—

3 “(i) immediately notify the Secretary
4 of the violation; and

5 “(ii) deselect the selected establish-
6 ment or suspend inspection at the selected
7 establishment.

8 “(4) PERFORMANCE EVALUATIONS.—Perform-
9 ance evaluations of State coordinators designated
10 under this subsection shall be conducted by the Sec-
11 retary as part of the Federal agency management
12 control system.

13 “(e) AUDITS.—

14 “(1) PERIODIC AUDITS CONDUCTED BY INSPEC-
15 TOR GENERAL OF THE DEPARTMENT OF AGRI-
16 CULTURE.—Not later than 2 years after the effec-
17 tive date described in subsection (j), and not less
18 often than every 2 years thereafter, the Inspector
19 General of the Department of Agriculture shall con-
20 duct an audit of each activity taken by the Secretary
21 under this section for the period covered by the
22 audit to determine compliance with this section.

23 “(2) AUDIT CONDUCTED BY COMPTROLLER
24 GENERAL OF THE UNITED STATES.—Not earlier
25 than 3 years, nor later than 5 years, after the date

1 of enactment of this section, the Comptroller Gen-
2 eral of the United States shall conduct an audit of
3 the implementation of this section to determine—

4 “(A) the effectiveness of the implementa-
5 tion of this section; and

6 “(B) the number of selected establishments
7 selected by the Secretary under this section.

8 “(f) INSPECTION TRAINING DIVISION.—

9 “(1) ESTABLISHMENT.—Not later than 180
10 days after the effective date described in subsection
11 (j), the Secretary shall establish in the Food Safety
12 and Inspection Service of the Department of Agri-
13 culture an inspection training division to coordinate
14 the initiatives of any other appropriate agency of the
15 Department of Agriculture to provide—

16 “(A) outreach, education, and training to
17 very small or certain small establishments (as
18 defined by the Secretary); and

19 “(B) grants to appropriate State agencies
20 to provide outreach, technical assistance, edu-
21 cation, and training to very small or certain
22 small establishments (as defined by the Sec-
23 retary).

1 “(2) PERSONNEL.—The inspection training di-
2 vision shall be comprised of individuals that, as de-
3 termined by the Secretary—

4 “(A) are of a quantity sufficient to carry
5 out the duties of the inspection training divi-
6 sion; and

7 “(B) possess appropriate qualifications and
8 expertise relating to the duties of the inspection
9 training division.

10 “(g) TRANSITION GRANTS.—The Secretary may pro-
11 vide grants to appropriate State agencies to assist the ap-
12 propriate State agencies in helping establishments covered
13 by title III to transition to selected establishments.

14 “(h) VIOLATIONS.—Any selected establishment that
15 the Secretary determines to be in violation of any require-
16 ment of this Act shall be transitioned to a Federal estab-
17 lishment in accordance with a procedure developed by the
18 Secretary under subsection (b)(3)(A).

19 “(i) EFFECT.—Nothing in this section limits the ju-
20 risdiction of the Secretary with respect to the regulation
21 of meat and meat products under this Act.

22 “(j) EFFECTIVE DATE.—

23 “(1) IN GENERAL.—This section takes effect on
24 the date on which the Secretary, after providing a
25 period of public comment (including through the

1 conduct of public meetings or hearings), promulgates
2 final regulations to carry out this section.

3 “(2) REQUIREMENT.—Not later than 18
4 months after the date of enactment of this section,
5 the Secretary shall promulgate final regulations in
6 accordance with paragraph (1).”.

7 (b) POULTRY AND POULTRY PRODUCTS.—The Poul-
8 try Products Inspection Act (21 U.S.C. 451 et seq.) is
9 amended by adding at the end the following:

10 **“SEC. 31. INTERSTATE SHIPMENT OF POULTRY INSPECTED**
11 **BY FEDERAL AND STATE AGENCIES FOR CER-**
12 **TAIN SMALL ESTABLISHMENTS.**

13 “(a) DEFINITIONS.—

14 “(1) APPROPRIATE STATE AGENCY.—The term
15 ‘appropriate State agency’ means a State agency de-
16 scribed in section 5(a)(1).

17 “(2) DESIGNATED PERSONNEL.—The term
18 ‘designated personnel’ means inspection personnel of
19 a State agency that have undergone all necessary in-
20 spection training and certification to assist the Sec-
21 retary in the administration and enforcement of this
22 Act, including regulations.

23 “(3) ELIGIBLE ESTABLISHMENT.—The term
24 ‘eligible establishment’ means an establishment that
25 is in compliance with—

1 “(A) the State inspection program of the
2 State in which the establishment is located; and

3 “(B) this Act.

4 “(4) POULTRY ITEM.—The term ‘poultry item’
5 means—

6 “(A) a portion of poultry; and

7 “(B) a poultry product.

8 “(5) SELECTED ESTABLISHMENT.—The term
9 ‘selected establishment’ means an eligible establish-
10 ment that is selected by the Secretary, in coordina-
11 tion with the appropriate State agency of the State
12 in which the eligible establishment is located, under
13 subsection (b) to ship poultry items in interstate
14 commerce.

15 “(b) AUTHORITY OF SECRETARY TO ALLOW SHIP-
16 MENTS.—

17 “(1) IN GENERAL.—Subject to paragraph (2),
18 the Secretary, in coordination with the appropriate
19 State agency of the State in which an establishment
20 is located, may select the establishment to ship poul-
21 try items in interstate commerce, and place on each
22 poultry item shipped in interstate commerce a Fed-
23 eral mark, stamp, tag, or label of inspection, if the
24 establishment—

25 “(A) is an eligible establishment; and

1 “(B) is located in a State that has des-
2 ignated personnel to inspect the eligible estab-
3 lishment.

4 “(2) PROHIBITED ESTABLISHMENTS.—In car-
5 rying out paragraph (1), the Secretary, in coordina-
6 tion with an appropriate State agency, shall not se-
7 lect an establishment that—

8 “(A) on average, employs more than 25
9 employees (including supervisory and non-
10 supervisory employees), as defined by the Sec-
11 retary;

12 “(B) as of the date of enactment of this
13 section, ships in interstate commerce carcasses,
14 poultry items that are inspected by the Sec-
15 retary in accordance with this Act;

16 “(C)(i) is a Federal establishment;

17 “(ii) was a Federal establishment as of the
18 date of enactment of this section, and was reor-
19 ganized on a later date under the same name
20 or a different name or person by the person,
21 firm, or corporation that controlled the estab-
22 lishment as of the date of enactment of this
23 section; or

24 “(iii) was a State establishment as of the
25 date of enactment of this section that—

1 “(I) as of the date of enactment of
2 this section, employed more than 25 em-
3 ployees; and

4 “(II) was reorganized on a later date
5 by the person, firm, or corporation that
6 controlled the establishment as of the date
7 of enactment of this section;

8 “(D) is in violation of this Act;

9 “(E) is located in a State that does not
10 have a State inspection program; or

11 “(F) is the subject of a transition carried
12 out in accordance with a procedure developed
13 by the Secretary under paragraph (3)(A).

14 “(3) ESTABLISHMENTS THAT EMPLOY MORE
15 THAN 25 EMPLOYEES.—

16 “(A) DEVELOPMENT OF PROCEDURE.—
17 The Secretary may develop a procedure to tran-
18 sition to a Federal establishment any establish-
19 ment under this section that, on average, con-
20 sistently employs more than 25 employees.

21 “(B) ELIGIBILITY OF CERTAIN ESTABLISH-
22 MENTS.—

23 “(i) IN GENERAL.—A State establish-
24 ment that employs more than 25 employ-
25 ees but less than 35 employees as of the

1 date of enactment of this section may be
2 selected as a selected establishment under
3 this subsection.

4 “(ii) PROCEDURES.—A State estab-
5 lishment shall be subject to the procedures
6 established under subparagraph (A) begin-
7 ning on the date that is 3 years after the
8 effective date described in subsection (i).

9 “(c) REIMBURSEMENT OF STATE COSTS.—

10 “(1) IN GENERAL.—Except as provided in para-
11 graph (2), the Secretary shall reimburse a State for
12 costs related to the inspection of selected establish-
13 ments in the State in accordance with Federal re-
14 quirements in an amount of not less than 60 percent
15 of eligible State costs.

16 “(2) MICROBIOLOGICAL VERIFICATION TEST-
17 ING.—The Secretary may reimburse a State for 100
18 percent of eligible State costs relating to the inspec-
19 tion of selected establishments in the State, if the
20 State provides additional microbiological verification
21 testing of the selected establishments, using stand-
22 ards under this Act, that is in excess of the typical
23 verification testing frequency of the Federal Govern-
24 ment with respect to Federal establishments.

1 “(d) COORDINATION BETWEEN FEDERAL AND
2 STATE AGENCIES.—

3 “(1) IN GENERAL.—The Secretary shall des-
4 ignate an employee of the Federal Government as
5 State coordinator for each appropriate State agen-
6 cy—

7 “(A) to provide oversight and enforcement
8 of this section; and

9 “(B) to oversee the training and inspection
10 activities of designated personnel of the State
11 agency.

12 “(2) SUPERVISION.—A State coordinator shall
13 be under the direct supervision of the Secretary.

14 “(3) DUTIES OF STATE COORDINATOR.—

15 “(A) IN GENERAL.—A State coordinator
16 shall visit selected establishments with a fre-
17 quency that is appropriate to ensure that se-
18 lected establishments are operating in a manner
19 that is consistent with this Act (including regu-
20 lations and policies under this Act).

21 “(B) QUARTERLY REPORTS.—A State co-
22 ordinator shall, on a quarterly basis, submit to
23 the Secretary a report that describes the status
24 of each selected establishment that is under the
25 jurisdiction of the State coordinator with re-

1 spect to the level of compliance of each selected
2 establishment with the requirements of this Act.

3 “(C) IMMEDIATE NOTIFICATION REQUIRE-
4 MENT.—If a State coordinator determines that
5 any selected establishment that is under the ju-
6 risdiction of the State coordinator is in violation
7 of any requirement of this Act, the State coor-
8 dinator shall—

9 “(i) immediately notify the Secretary
10 of the violation; and

11 “(ii) deselect the selected establish-
12 ment or suspend inspection at the selected
13 establishment.

14 “(4) PERFORMANCE EVALUATIONS.—Perform-
15 ance evaluations of State coordinators designated
16 under this subsection shall be conducted by the Sec-
17 retary as part of the Federal agency management
18 control system.

19 “(e) AUDITS.—

20 “(1) PERIODIC AUDITS CONDUCTED BY INSPEC-
21 TOR GENERAL OF THE DEPARTMENT OF AGRIC-
22 CULTURE.—Not later than 2 years after the effec-
23 tive date described in subsection (i), and not less
24 often than every 2 years thereafter, the Inspector
25 General of the Department of Agriculture shall con-

1 duct an audit of each activity taken by the Secretary
2 under this section for the period covered by the
3 audit to determine compliance with this section.

4 “(2) AUDIT CONDUCTED BY COMPTROLLER
5 GENERAL OF THE UNITED STATES.—Not earlier
6 than 3 years, nor later than 5 years, after the date
7 of enactment of this section, the Comptroller Gen-
8 eral of the United States shall conduct an audit of
9 the implementation of this section to determine—

10 “(A) the effectiveness of the implementa-
11 tion of this section; and

12 “(B) the number of selected establishments
13 selected by the Secretary under this section.

14 “(f) TRANSITION GRANTS.—The Secretary may pro-
15 vide grants to appropriate State agencies to assist the ap-
16 propriate State agencies in helping establishments covered
17 by this Act to transition to selected establishments.

18 “(g) VIOLATIONS.—Any selected establishment that
19 the Secretary determines to be in violation of any require-
20 ment of this Act shall be transitioned to a Federal estab-
21 lishment in accordance with a procedure developed by the
22 Secretary under subsection (b)(3)(A).

23 “(h) EFFECT.—Nothing in this section limits the ju-
24 risdiction of the Secretary with respect to the regulation
25 of poultry and poultry products under this Act.

1 “(i) EFFECTIVE DATE.—

2 “(1) IN GENERAL.—This section takes effect on
3 the date on which the Secretary, after providing a
4 period of public comment (including through the
5 conduct of public meetings or hearings), promulgates
6 final regulations to carry out this section.

7 “(2) REQUIREMENT.—Not later than 18
8 months after the date of enactment of this section,
9 the Secretary shall promulgate final regulations in
10 accordance with paragraph (1).”.

11 **SEC. 11068. PREVENTION AND INVESTIGATION OF PAY-**
12 **MENT AND FRAUD AND ERROR.**

13 Section 1113 of the Right to Financial Privacy Act
14 of 1978 (12 U.S.C. 3413) is amended by striking sub-
15 section (k) and inserting the following:

16 “(k) DISCLOSURE NECESSARY FOR PROPER ADMIN-
17 ISTRATION OF PROGRAMS OF CERTAIN GOVERNMENT AU-
18 THORITIES.—

19 “(1) DISCLOSURE TO GOVERNMENT AUTHORI-
20 TIES.—Nothing in this title shall apply to the disclo-
21 sure by the financial institution of the financial
22 records of any customer to the Department of the
23 Treasury, the Social Security Administration, the
24 Railroad Retirement Board, or any other Govern-
25 ment authority that certifies, disburses, or collects

1 payments, when the disclosure of such information is
2 necessary to, and such information is used solely for
3 the purposes of—

4 “(A) the proper administration of section
5 1441 of the Internal Revenue Code of 1986 (26
6 U.S.C. 1441);

7 “(B) the proper administration of title II
8 of the Social Security Act (42 U.S.C. 401 et
9 seq.);

10 “(C) the proper administration of the Rail-
11 road Retirement Act of 1974 (45 U.S.C. 231 et
12 seq.);

13 “(D) the verification of the identify of any
14 person in connection with the issuance of a
15 Federal payment or collection of funds by a
16 Government authority; or

17 “(E) the investigation or recovery of an
18 improper Federal payment or collection of
19 funds, or an improperly negotiated Treasury
20 check.

21 “(2) LIMITATIONS ON SUBSEQUENT DISCLO-
22 SURE.—Notwithstanding any other provision of law,
23 any request authorized by paragraph (1), and the in-
24 formation contained therein, may be used by the fi-
25 nancial institution and its agents solely for the pur-

1 pose of providing the customer's financial records to
2 the Government authority requesting the informa-
3 tion and shall be barred from redisclosure by the fi-
4 nancial institution or its agents. Any Government
5 authority receiving information pursuant to para-
6 graph (1) may not disclose or use the information
7 except for the purposes set forth in such para-
8 graph.”.

9 **SEC. 11069. ELIMINATION OF STATUTE OF LIMITATIONS AP-**
10 **PLICABLE TO COLLECTION OF DEBT BY AD-**
11 **MINISTRATIVE OFFSET.**

12 (a) ELIMINATION.—Section 3716 of title 31, United
13 States Code, is amended by striking subsection (e) and
14 inserting the following:

15 “(e)(1) Notwithstanding any other provision of law,
16 regulation, or administrative limitation, no limitation on
17 the period within which an offset may be initiated or taken
18 pursuant to this section shall be effective.

19 “(2) This section does not apply when a statute ex-
20 plicitly prohibits using administrative offset or setoff to
21 collect the claim or type of claim involved.”.

22 (b) APPLICATION OF AMENDMENT.—The amendment
23 made by subsection (a) shall apply to any debt outstanding
24 on or after the date of the enactment of this Act.

1 **SEC. 11070. STORED QUANTITIES OF PROPANE.**

2 Section 550(a) of the Department of Homeland Secu-
3 rity Appropriations Act, 2007 (6 U.S.C. 121 note; Public
4 Law 109–295), is amended by striking “Commission.”
5 and inserting the following:
6 “Commission: *Provided further*, That the Secretary shall
7 not apply interim or final regulations relating to stored
8 threshold quantities of propane for sale, storage, or use
9 on homestead property, agricultural operations, or small
10 business concerns (as defined in section 3 of the Small
11 Business Act (15 U.S.C. 632)) that are located in rural
12 areas (as defined in section 520 of the Housing Act of
13 1949 (42 U.S.C. 1490)), unless the Secretary submits to
14 Congress a report describing an immediate or imminent
15 threat against such a stored quantity of propane: *Provided*
16 *further*, That nothing in this section exempts the Secretary
17 from implementing any interim or final regulation relating
18 to stored threshold quantities of propane for sale, use, or
19 storage in an area that is not a rural areas (as so de-
20 fined).”.

21 **SEC. 11071. CLOSURE OF CERTAIN COUNTY FSA OFFICES.**

22 (a) DEFINITION OF CRITICAL ACCESS COUNTY FSA
23 OFFICE.—

24 (1) IN GENERAL.—In this section, the term
25 “critical access county FSA office” means an office

1 of the Farm Service Agency that, during the period
2 described in paragraph (2), is—

3 (A) proposed to be closed;

4 (B) proposed to be closed with the closure
5 delayed until after January 1, 2008, due to ad-
6 ditional review pursuant to the third proviso of
7 matter under the heading “SALARIES AND EX-
8 PENSES” under the heading “FARM SERVICE
9 AGENCY” of the Agriculture, Rural Develop-
10 ment, Food and Drug Administration, and Re-
11 lated Agencies Appropriations Act, 2006 (Pub-
12 lic Law 109–97; 119 Stat. 2131); or

13 (C) included on a list of critical access
14 county FSA offices determined in accordance
15 with that Act and submitted to the Committee
16 on Agriculture, Nutrition, and Forestry of the
17 Senate by the Secretary on October 24, 2007.

18 (2) DESCRIPTION OF PERIOD.—The period re-
19 ferred to in paragraph (1) is the period beginning on
20 November 10, 2005, and ending on December 31,
21 2007.

22 (3) EXCEPTION.—The term “critical access
23 county FSA office” does not include any office of
24 the Farm Service Agency that—

1 (A) is located not more than 20 miles from
2 another office of the Farm Service Agency, un-
3 less the office is located within an identified
4 limited-resource area consisting of at least 4
5 contiguous high-poverty counties; or

6 (B) employs no full-time equivalent em-
7 ployees as of the date of enactment of this Act.

8 (b) EXTENSION OF PERIOD OF OPERATION.—

9 (1) IN GENERAL.—Notwithstanding any other
10 provision of law, except as provided in paragraph
11 (3), none of the funds made available to the Sec-
12 retary by any Act may be used to pay the salaries
13 or expenses of any officer or employee of the De-
14 partment of Agriculture to close any critical access
15 county FSA office during the period beginning on
16 November 1, 2007, and ending on September 30,
17 2012.

18 (2) NUMBER OF EMPLOYEES.—

19 (A) IN GENERAL.—Subject to subpara-
20 graphs (B) and (C), the Secretary shall ensure
21 that each critical access county FSA office in
22 each State maintains a staff level of not less
23 than 3 full-time equivalent employees during
24 the period described in paragraph (1).

1 (B) STAFFING FLEXIBILITY.—Notwith-
2 standing subparagraph (A) and subject to sub-
3 paragraph (C), an employee required to meet
4 the staff level of a critical access county FSA
5 office in a State as described in subparagraph
6 (A) may be employed at any other county office
7 of the Farm Service Agency in that State, as
8 the Secretary determines to be appropriate.

9 (C) MINIMUM STAFFING LEVEL.—A crit-
10 ical access county FSA office shall be staffed by
11 not less than 1 full-time equivalent employee
12 during the period described in paragraph (1).

13 (3) EXCEPTION.—The Secretary may close a
14 critical access county FSA office only on concur-
15 rence in the determination to close the critical access
16 county FSA office by—

17 (A) Congress; and

18 (B) the applicable State Farm Service
19 Agency committee.